





## NEWS IN SUMMARY

## City council outlaws a dustbin

Peterborough City Council has refused to empty a dustbin bought by Mrs Olive Hawkins because it is made of plastic and has only one carrying handle (our Peterborough correspondent writes). The £13 bin, the most expensive in the shop, was chosen by Mrs Hawkins, aged 35 and a mother of two, because of its modern design with a tight-fitting lid and wheels.

But the bin has failed to satisfy the city council which has warned Mrs Hawkins that she faces a fine of £100 unless it is replaced within 14 days by an officially approved galvanized iron model with two handles.

Mrs Hawkins, an electrician's wife, said at her home in Holcroft, Orton Malborne, near Peterborough yesterday: "I was told that because the bin had wheels it might run away with the dustmen."

## Minister praises works council

Merseyside workers were described as a model for British industry yesterday, by Mr John Nott, Secretary of State for Defence.

He was visiting the Marston torpedo factory in Neston, Wirral, where workers and staff have together formed a staff council, abandoning a trades union negotiation system. Representatives of factory floor workers and management are elected on to the council to help with the running of the factory.

Mr Nott said he was impressed by the working relations between staff and workers.

## Farmer fined for B &amp; B sign

Supporters of a farmer from mid Wales demonstrated outside a magistrate's court at Welshpool, Powys yesterday when he was fined £100 for displaying a bed and breakfast sign at a traffic roundabout without planning permission. John Emberton, of Tyllwyn Farm, Welshpool, pleaded guilty.

Mr Bennett Thistlethwaite, Emberton's solicitor, said: Emberton had been made a scapegoat and would be lodging an appeal against refusal of planning permission with a view to securing a public hearing.

## Commander is reprimanded

Commander Robert Laverty of the Royal Navy survey ship, HMS Beagle, which grounded on Arklow Bank in the Irish Sea last October, was severely reprimanded by a court martial in Portsmouth yesterday.

He pleaded guilty to negligence in performing his duty by failing to take all proper steps to ensure the safe conduct of his ship.

## Sixth typhoid case

Another case of typhoid has been confirmed in a boy, aged one, among four related Asian families in Southampton. He is the sixth child to contract typhoid. Another nine are under observation.

## Deer crash fatality

Miss Karen Burrell, aged 20, of Woodbridge, was killed on the A12 at Darsham, Suffolk, yesterday when the motor-cycle she was riding ploughed into a herd of deer. Mr Stephen Macartney, aged 22, the rider, was unhurt.

## Unity not just around corner, Vatican says

From John Earle, Vatican City

The Vatican has cautioned Roman Catholics against believing that unity with the Anglicans is just found the corner as a result of the completion of the work of the international commission for dialogue between the two communities. The commission, in its final report, envisages the possibility of Anglicans acknowledging a "universal primacy" for the Pope.

The Vatican published a letter yesterday from Cardinal Joseph Ratzinger, Prefect of the Congregation for the Doctrine of the Faith, to Mr Alan Clark, the Roman Catholic co-chairman of the commission, saying: "It is not yet possible to affirm a really substantial agreement has been reached in all the questions studied by the commission."

The report was nevertheless "an important ecumenical event such as to constitute a significant step towards reconciliation between the Anglican Communion and the Catholic Church."

The congregation found, after studying the report, that "whereas various points, held as dogma by the Catholic Church, which cannot be accepted as such, or are in a position of being accepted only in part, by our brethren of the Anglican Church."

Cardinal Ratzinger observed that other questions, besides those studied by the commission, needed to be examined "in order to achieve a definite agreement about the nature of true reconciliation." The congregation believed that the dialogue thus begun should be pursued.

A Roman Catholic theologian in Rome, Annio Innocenti, in a comment on the commission's work, said: "For some time Catholics have been studying them with interest and enthusiasm. In 1957 Archbishop Fisher of Canterbury offered Pope Pius XII the 'presidency' of a union among the principal Anglican churches. Pope Pius refused, he said, be-

cause he did not want to arouse illusions. Now 'they have come out by declaring their readiness to recognise an honorary primacy to the Roman Pontiff. Let he who wishes be deluded'."

The Archbishop of Canterbury and his staff have known since Christmas that the Sacred Congregation for the Doctrine of the Faith had reservations, and fears were expressed since that the report itself might not receive official permission for publication, our Religious Affairs Correspondent writes.

Several efforts were made to persuade Pope John Paul in favour of publication. It was expected that the final report by the Anglican-Roman Catholic International Commission would appear with an official note of reservation by the sacred congregation, but that was not acceptable to the Archbishop of Canterbury.

Both sides reserved the right, therefore, to make a critical comment immediately after publication, and the Archbishop of Canterbury's comment was issued yesterday. He said that the Anglican Communion was not about to accept the First Vatican Council's declaration on papal infallibility.

By a strange twist the action proposed by the Vatican will give an opportunity for every one of the thousands of bishops throughout the Roman Catholic Church, to express a view on the theology of the papacy.

## Cardinal ashamed

Cardinal Hume, Archbishop of Westminster, said on his return from a visit to the Pope yesterday that the Pope was not over-concerned about opposition to his visit in May, "but I think it would be very foolish to be complacent."

The cardinal said he had felt ashamed to have had to tell the Pope about opposition to the visit.

## Ratzinger's full text

The following is the official text of the letter sent by Cardinal Ratzinger to Mr Alan Clark:

My Lord Bishop, After 12 years of work together, the Anglican-Roman Catholic International Commission (ARCIC), composed of bishops and theologians appointed by both communities, sent to their respective authorities a final report which sets forth the results obtained through their theological research and continued prayer, on the important questions of eucharistic doctrine, ministry and ordination, and authority in the Church.

At the request of the Holy Father, the Congregation for the Doctrine of the Faith, has studied the ARCIC final report and believes that it is an important ecumenical event which constitutes a significant step towards reconciliation between the Anglican Communion and the Catholic Church.

In the same spirit of sincerity that marks the work of ARCIC, and with the desire to contribute to that clarity so indispensable for genuine dialogue, the congregation must also express its view that it is not yet possible to say that an agreement which is truly "substantial" has been reached on the totality of the questions studied by the commission.

In effect, as the report itself indicates, there are several points, held as dogmas by the Catholic Church, which are not able to be accepted as such, or

are able to be accepted only in part, by our Anglican brethren. Furthermore, some formulations in the ARCIC report can give rise to different interpretations, while others do not seem able to be easily reconciled with Catholic doctrine. Finally, while recognizing that the mission of dialogue is legitimately limited to essential questions which have been the focus of serious differences between our two communities in the past, one should note that other questions must be examined as well, together and in the same spirit, in order to arrive at a definitive agreement capable of guaranteeing true reconciliation.

This is why, in the judgment of our congregation, everything should be done to ensure that the dialogue so happily undertaken should continue, that there be further study, especially of the points where the results obtained require us to require it, and that the study be extended to other questions indispensable for the restoration of the ecclesial unity willed by Our Lord.

The Congregation for the Doctrine of the Faith, therefore, will send detailed observations about the ARCIC final report to all of the episcopal conferences, as its contribution to the continuation of this dialogue.

United with you in prayer that the Holy Spirit may inspire our dialogue, we remain, my Lord Bishop, your devoted servant in Christ, Joseph Cardinal Ratzinger, Prefect of the Congregation for the Doctrine of the Faith.

Leading article, page 9

## Court told about 50 marks of violence on baby

A pathologist described the savage injuries he found on Donna Louise Fidler, aged 18 months, who died, it is alleged, after being kicked around a bedroom "like a rag doll" by a schoolboy.

It is alleged in the hearing of Sheffield Crown Court that the boy's girlfriend, aged 16, joined in the attack and punched the baby.

Mr and Mrs Raymond Fidler, the baby's parents, were in court when Professor Alan Usher, the pathologist, told the jury of 50 marks of violence he found

## An extra week for health supplement

The Times Health Supplement, whose closure was announced by Times Newspapers Limited on Monday, has been reprieved.

Agreement was reached between the company and the National Union of Journalists to publish it a week in the hope a buyer will be found.

The company decided to close the supplement, launched last October, because it was losing £20,000 a week. Mr Noel Howell, national organiser of the NUJ, said yesterday: "We would hope that this magazine can still be saved by a new publisher."

## Journalists 'have duty to guard media freedom'

From Arthur Osman, Coventry

Journalists had a duty to protect the freedom of their media even though they were not perfect, Mr Harry Conroy, president of the National Union of Journalists, told the union's annual delegate meeting which opened at the University of Warwick, yesterday.

In his printed address, Mr Conroy said: "Media freedom is threatened by Government, by proprietors, by the misuse of new technology, by the uncontrolled growth of free newspapers and by binge." He said government attacks on media freedom could be seen in the new contempt law in England which inhibited court reporting and also in attacks by ministers on the union's broadcasting members' handling of Northern Ireland. "Proprietors, too, have shown a greater tendency to

attempt to dictate the political views of their publications."

He said that a basic requirement of a free media was access for differing points of view. Local radio had attempted to ensure that

the union should be calling on the Government to implement the minority report in the last Royal Commission on the Press. That suggested that a national printing corporation be set up to provide printing

machinery on which time could be rented, thus removing the onerous capital investment required to launch a newspaper.

On free newspapers, Mr Conroy said that if we were to move towards publications that relied purely on advertising for income and being directly delivered, whether people wanted them or not, editorial safeguards were required.

In Glasgow, a big free newspaper was planned that would almost certainly take advertising revenue from the city's only remaining evening newspaper. "What will this free newspaper give back to the community? Will it act as a watchdog over abuse of power? We suspect not."

He said new technology had been hailed as the saviour of the press, it could be, but not if it was merely introduced to increase profits.

## Crime and punishment



Sir Peter Matthews, Surrey's Chief Constable, holds a 10ft telex roll listing the alleged crimes of one man arrested yesterday. Sir Peter called for the return of hanging after his annual report showed a record number of offences by people with firearms.

## Squalor in Britain's prisons

By Stewart Tendler, Crime Reporter

Life in many prisons can be degrading and brutalising, according to the picture painted yesterday in the independent prison inspector's first annual report. A third of all prisoners live two or three to cells designed for one, sewage foods wings; baths and kitchens do not work properly; and work was non-existent or scarce, leaving men idle in their cells.

The Government is committed to building eight more prisons by 1985, and improvements to present buildings will add 5,000 places, but the report says that that will not abate the problems. "The vulnerability of prison accommodation is so great and the decay of the existing estate so rapid that these projects cannot be expected to add significantly to the existing stock."

The long-term solution to the overcrowding must be to reduce the prison population of 44,000. England and Wales to 37,000. In the short term, more prisoners on relatively short sentences of three to seven years in local prisons could be moved to training prisons which normally take offenders with longer sentences.

The Inspectorate, formed on the recommendation of the May committee on the prison service, examined 17 prisons last year during full inspections, and carried out unannounced inspections at another 10. Its findings on individual prisons are being published as separate reports, but overall they identified three important areas of concern: overcrowding, work and repairs.

The report, by Mr W. A. Brisks, the deputy chief inspector, says that overcrowding largely concerns local prisons where they found 5,674 prisoners in six prisons, Gloucester, Leeds, Durham, Brixton, Manchester and Birmingham, living in space for 3,543 prisoners. The inspections "brought home with great force the appalling conditions in which the inmates of these prisons are required to live."

The report says: "If any reader unfamiliar with the prison system finds it difficult to picture the squalor in which many inmates are required to spend their sentence, let him imagine finding himself obliged to stay in a hotel so overcrowded that he has to share his room with two complete strangers. The

room itself is so cramped that there is little space for his clothes or personal possessions, and if he wants to walk up and down the other occupants must first lie on their beds."

"Worse, the hotel management insists that guests remain in their rooms for all but an hour or so a day and must take their meals there. As a result, the atmosphere rapidly becomes a fest of filth, since neither the reader or his room-mates have been able to take a bath for some days."

Furthermore, the report says, there is no lavatory apart from chamber pots. "If the reader does not conclude that such an experience lasting several days would be degrading and brutalising, he is being less than honest with himself. How much worse would it be after several weeks?"

Overcrowding means that sewage and water systems cannot handle the demand. Sewage washes back into wings and at Leeds, with 1,193 prisoners in a space meant for 612, the water supply is so strained that only four of the twelve baths can be used.

There is rarely room within the prison perimeters for new buildings to cope with modern demands. Staff start to feel threatened by the sheer weight of numbers. The problem of inadequate work for prisoners is such that Leeds and Birmingham 300 men were idle, and in other prisons the working day was little more than a few hours. The reason for this was lack of provision. Birmingham had four workshops where once there had been twelve, and at Durham the workshops operated for 8 to 10 hours a week. Training prisons were better provided but at one the inspector found that 200 out of a population of 745 men stayed in their cells because of lack of work.

To overcome that problem the report suggests the possibility of improving education programmes in local and training prisons, and using workshops to full capacity.

As far as maintenance of buildings is concerned, the report finds that the backlog is so great in some prisons that it will be difficult to catch up.

Mr William Whitelaw, the Home Secretary, said in foreword to the report that he recognized the mismatch

between the demands made upon the prison service and its resources, and the Government would aim to correct that.

Mr Whitelaw said: "The major problems have been decades in the making and cannot be resolved overnight."

Mr Vivien Stern, director of the National Association for the Care and Resettlement of Offenders, said the report showed a stark indictment of the treatment of prisoners, which meant that they were released more embittered and less able to cope than when they went into prison.

Report of Her Majesty's Chief Inspector of Prisons for England and Wales, 1981. (Stationary Office, £4.35p).

## Foot attacked over riots warning

Mr Whitelaw yesterday described as highly deplorable the suggestion by Mr Michael Foot, the Labour leader, that rising unemployment, particularly among the young, would lead to more riots this summer (Hugh Noyes writes).

Answering questions in the Commons in the absence of the Prime Minister, Mr Whitelaw told Mr Foot that he would have thought that all MPs wished to see peace on our streets and no riots of any sort during the summer.

In bitter exchanges and amidst angry shouts from the Conservative benches, Mr Whitelaw added that it was highly irresponsible to suggest that riots might occur.

The exchanges arose from an admission by Mr Norman Tebbit, Secretary of State for Employment, that unemployment could rise above three million again soon as more young people came on to register. Mr Foot said that the Home Secretary should know well that there was a connection between mass unemployment and the riots: that was what Mr Scarman had also said.

## Recluse ignores inquiry into home purchase

From Our Correspondent Leominster

A woman recluse failed to appear at a public inquiry yesterday into a council's decision to order her to leave a listed, timber-framed home in Leominster, Hereford and Worcester.

While officials discussed why they wanted to buy the house compulsorily Mrs Barbara Freeth, aged 54, stayed at home a few hundred yards away from the inquiry at the town council chamber.

For three years Mrs Freeth has ignored visits from council officials about compulsory purchase plans. The inquiry inspector was told that the council considered the building to be a public danger because of holes in the roof and a crumbling facade.

## Declaration of war on IRA by Garda

From Peter Evans, Bantry, co Cork

An unprecedented declaration of war on the IRA and the Irish National Liberation Army was made yesterday by the leadership of middle-ranking police officers in the Irish Republic.

Mr Philip Callanan, president of the Association of Garda Sergeants and Inspectors, told Mr Sean Doherty, the Minister of Justice: "You can be assured of our total support in any measures you may wish to take to defeat these evil men."

The change in policy to give public leadership to a campaign against terrorism comes after the deaths of association members and recent arms cache finds and arrests. Mr Callanan's attack was issued by association officials to have made him a possible security risk and armed guards were inside and outside the conference venue yesterday.

"For the past six or seven years we have seen the violence spill over into this part of the island. The brutal death of six of our members is terrible testimony to this," he said.

"Add to this the deaths of over 100 of our colleagues in the North and others in Great Britain and we can see the havoc wreaked by these criminals. We must also remember the hundreds of innocent civilians who have perished in this senseless era of violence."

Mr Callanan disclosed that between 1970 and 1980 recorded crimes committed with the use of arms rose from 54 to 286, a 430 per cent increase. That was well over twice the increase in recorded crime in the same period.

Mr Callanan said: "There is now a significant decline in support and sympathy for the IRA. At last it seems that the vast majority of the Irish people are coming to the realization that the IRA has nothing to offer but strife, murder and pillage."

A crowded political programme will mean it is impossible for Mrs Margaret Thatcher and Mr Charles Haughey, the Republic's Prime Minister, to meet to discuss Northern Ireland until the summer (Ian Murray writes from Brussels). Asked about the future of the IRA, Mrs Thatcher said that one would take place in the normal way that bilateral meetings between Britain and "the Irish Free State" were always held. It was, however, impossible to arrange any meetings during May or June so July was the earliest possible date.

The government of the Republic has nominated Mr Richard Burke, an Opposition deputy to be its new European Commissioner.

An RUC policeman was seriously injured in west Belfast yesterday when gunmen forced at his car as he was about to pick up a cleaner and take her to work. (Richard Ford writes)

## Science report

## Surprising sights at galactic centre

By the Staff of "Nature"

The centre of our galaxy, the Milky Way, is obscured by clouds and clouds of dust. Ordinary light emitted at the centre is dimmed 100,000 million times before it reaches us in the solar system, out on the edge of the Milky Way. But at some wavelengths, notably in the infra-red ("heat" radiation) the dust is conveniently transparent. Now a team of astronomers from the Royal Greenwich Observatory working at the Anglo-Australian Observatory in New South Wales has capitalized on the fact, and produced the best yet images of the galactic centre in infra-red light.

The image contains two surprising features: two clouds of hot material sitting close to an object best known to radio astronomers as Sagittarius A West, an intense radio emitter that is believed to be the true centre of the galaxy.

The clouds are close together in astronomical terms, about half a light-year apart, but the observations cannot tell if the clouds sit exactly astride the radio source, or are to one side of it. The question is interesting, because some theories suggest that the galactic centre is a miniature version of much more intense "radio galaxies", which usually show a double structure, with emitting regions on either side of some central power source.

However, radio observations of the galactic centre have not detected any double structure, so the infra-red astronomers prefer to leave the question open. There are two possible interpretations of the data, they say. The first is that the objects are super-giant stars, the biggest and brightest of all star types.

The second is that they are clouds of "ionized" hydrogen in which the electron has been stripped from the proton nucleus of the hydrogen atom. Such hydrogen clouds, however, must be illuminated by some brilliant source of light - often the ultra-violet radiation of a newly formed star - to keep them ionized, and the question then becomes, what is that source of light?

One possible explanation could be that there is so much matter near the galactic centre that new stars are forming quite frequently from the accumulated gas and dust; and another turns back to the double source theory, and suggests that the central object itself illuminates the clouds. Observations to distinguish between the two theories are planned. Source: Nature vol 296 p 333 (March 25, 1982) © Nature-Times News Service (1982)

## Labour students take over NUS executive

By Ian Bradley

Britain's one million students are likely to find themselves more closely tied to the Labour Party and the trade union movement as a result of elections to the National Union of Students' executive yesterday.

The presidency and most of the other posts went to Labour candidates, ending a period of non-party rule.

The new president is Mr Neil Stewart, aged 26, an Aberdonian educated at Aberdeen University and Aberdeen College of Commerce, where he has just completed a postgraduate course in communications.

He defeated his main rival, Mr Douglas Herd, a Communist and the Left Alliance candidate by 347 votes to 193, one of the biggest majorities of recent NUS elections.

The Left Alliance, a broad coalition of Communists, Liberals and others, has dominated the union for the

past six years and has supplied the last three NUS presidents: Miss Sue Slipman, now a leading member of the SDP, Mr Trevor Phillips, and Mr David Aaronovitch.

## Grants victory

The Architectural Association has won a 10-year battle to get its undergraduate course designated by the Government, for the purpose of mandatory student awards (Our Education Correspondent writes).

From September, all British and EEC students at the association's school of architecture will receive a means-tested maintenance grant of up to £1,900, plus £480 toward the cost of tuition fees. They will have to find a further £2,770 out of their own pocket.

## Egon Schiele drawing fetches £45,360

By Geraldine Norman, Sale Room Correspondent

Impressionist and modern drawings for sale at Christie's yesterday produced one or two surprise high prices. An Egon Schiele drawing in tempera and pencil of a Russian prisoner of war, dated 1916, sold for £45,360 (estimate £20,000 to £35,000).

A rare watercolour by Berthe Morisot of a lady seated in a field playing with a child, reputed to depict her sister, Madame Pomillon, sold for £42,120 (estimate £24,000 to £28,000), a price that would be considered healthy for a Morisot oil, let alone a watercolour.

The drawings sale was 16 per cent unsold and a sale of middle range paintings, drawings and sculpture was left 27 per cent unsold. The market is not as buoyant as last year, but there were still many modest buyers. They were mainly European. There was

not the usual interest from America, nor was there much interest from Japan.

Indian artefacts were for sale at Sotheby's with a few rather off-beat offerings.

## Correction

□ Sotheby's estimate for Fernand Legar's "Contraste de Formes" was £280,000, not £240,000 as stated in yesterday's sale report.

Overseas selling prices: Australia: £25,000; Canada: £25,000; Denmark: £25,000; France: £25,000; Germany: £25,000; Greece: £25,000; Hong Kong: £25,000; India: £25,000; Italy: £25,000; Japan: £25,000; Korea: £25,000; Malaysia: £25,000; New Zealand: £25,000; Norway: £25,000; Portugal: £25,000; Singapore: £25,000; South Africa: £25,000; Sweden: £25,000; Switzerland: £25,000; Taiwan: £25,000; Thailand: £25,000; United Kingdom: £25,000; USA: £25,000; Venezuela: £25,000.

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Handwritten text in Arabic script: "مكتبة الامم المتحدة"



the Staff of "Nature" the centre of our galaxy, Milky Way, is obscured by clouds and clouds of ordinary light emit at the centre is dimmed. The centre is dimmed by the Milky Way. But the system, out in the some wave-length, no "infrared" radiation the dust conveniently transmits. Now a team of astronomers from the Australian Observatories working at the New South Wales Observatory has produced the best image of the galactic centre in infrared light. The image contains two material sitting close to the galactic centre, known as Sgr A West, an intense emitter that is the true centre of the galaxy.

the clouds are close together in astronomical terms, about half a light year apart, but the observations cannot tell if the clouds sit exactly side by side or if the question is interesting because the theories suggest that the galactic centre is a hot intense "radio glow" which usually show double structure, with emitting regions on either side of some central power source.

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## Training boards to go without alternative plan

By Anthony Beving, Political Correspondent

The Government is preparing to abolish 16 industrial training boards, with no detailed check on the voluntary arrangements that are to replace them.

Mr Barry Jones, an Opposition spokesman, said yesterday that the decision to axe the boards was an act of blind vandalism.

The initial decision to abolish them was announced last November by Mr Norman Tebbit, Secretary of State for Employment. He said then: "I am satisfied that the training requirements of the sectors concerned can be met effectively on a voluntary basis with less cost and bureaucracy."

He also pointed out that he would close the 16 statutory boards only when he was satisfied with the substitute, voluntary arrangements.

Mr Peter Morrison, Under-Secretary of State at the Department of Employment, announced in the Commons last week that the first batch of training boards should go early in May and the remainder in June.

But when Mr Jones asked for information on the non-statutory system he was told in a Commons written reply on Monday: "Comprehensive information in the form requested is not being collected by any department or by the Manpower Services Commission."

The uncollected information included details of estimated income, the number of employees to be covered by the new arrangements, and of professional training staff to be employed.

Mr Morrison said in a Commons reply last week: "As a general rule, we expect non-statutory training organizations to set up adequate machinery to monitor the quantity of training to ensure that skill shortages do not develop, to check that standards of training are being maintained, and to keep these standards up to date to meet changing needs."

"The organizations should have the active support of their industries and should be appropriately financed and staffed."

Mr Jones said yesterday that the department's complete ignorance of the new organizations spoke for itself. "Monday's non-answer was, effectively, checkmate. They know nothing."

He added: "The Government is recklessly demolishing a structure that delivered skills to industry, and it has so far provided very little evidence that the successor bodies can meet the demands of industry."

The Opposition's criticism seems to be supported by the CBI which said in a recent newsletter: "Accepted wisdom appears to be that, at best, only about a third of the non-statutory bodies will be effective, and that there is no focal point for these arrangements."

The concern of the CBI is that, even if Peter Morrison and the officials of his department are paper tigers, ministers may be forced to go back on their decision to abolish the statutory arrangements in certain sectors.

There is also a fear, shared by Mr Jones and others in the Manpower Services Commission, that the minister will go ahead with abolition regardless of the quality of the replacement arrangements, and that the Government's new training initiative will suffer as a result.

The lack of government information on the training programme has been illustrated by the fact that Mr Morrison was only last week unwilling to provide Mr Jones with the number of training officers employed by the present training boards.

In fact, Mr Jones has since discovered for himself that the 16 training boards which are to be abolished employ about 519 training officers compared with 910 in 1979, and it is estimated that they will be replaced by 200 voluntary organization staff working in 100 groupings.

The first batch for abolition is expected to include: the air transport and travel; carpet, chemical and allied products; footwear, leather and fur; iron and steel; knitting, lace and net; made fibres producing; and wool, jute and flax training boards.

The second batch is expected to include: ceramics, glass and mineral products; cotton and allied textiles; distributive, food, drink and tobacco; furniture and timber; paper and paper products; printing and publishing; and shipbuilding. Seven other statutory boards will continue to exist.

Mr Charles Wrigley, a Labour Councillor from Loughborough, will propose near the end of the council meeting that "foxhunting be prohibited on land in the ownership of the county council, except to the extent that such a prohibition would be contrary to any terms regulating the use or occupation of county council land."

However, councillors will first debate a much longer motion put down by Mr Julian de Lisle, Conservative, who hunted until five years ago and still subscribes to the British Field Sports Society.

## Foxhunting debate likely to be fierce

By Hugh Clayton, Environment Correspondent

Each side in the bitter argument over hunting needs to win tonight's vote by county councillors in Leicestershire. They are considering motions for and against allowing hounds to cross some of the best hunting country in Europe.

Neither hunt supporters nor those they dub "the antis" were confident yesterday of victory. The 44 Conservative, 42 Labour, five Liberal, and one Independent councillors have faced intense lobbying in recent weeks.

Mr Richard Course, executive director of the League Against Cruel Sports, said yesterday: "It looks like being a real cliff-hanger." He agreed that the effect of a vote to ban hunting on the 10,000 acres of rural land owned by the county council might be mainly symbolic.

That is because much of the land consists of smallholdings for which the sporting rights are held by the tenants.

The symbolic impact of a ban in Leicestershire, however, would be immense because it would demonstrate the ability of opponents to mobilize effective political support in such a famous hunting region. Some of the most celebrated, active, and expensive hunts in Britain, including the Quorn and the Pytchley, would lose part of their country if the County Council imposes a ban.

"If we can punch them in the guts on their own ground it will be the end of foxhunting," Mr Course said. The league is already lobbying for similar action on the larger council-owned estates in the important neighbouring hunting counties of Cambridgeshire and Northamptonshire.

Mr Charles Wrigley, a Labour Councillor from Loughborough, will propose near the end of the council meeting that "foxhunting be prohibited on land in the ownership of the county council, except to the extent that such a prohibition would be contrary to any terms regulating the use or occupation of county council land."

However, councillors will first debate a much longer motion put down by Mr Julian de Lisle, Conservative, who hunted until five years ago and still subscribes to the British Field Sports Society.



Members of the Royal Academy's Hanging and Selection Committee (left to right) Rodrigo Moynihan, Philip Sutton, Sir Hugh Gasson, Anthony Whishaw, and Anthony Green discussing yesterday the summer show. Contenders included a painting of the Prince and Princess of Wales.

## Walker's dilemma in Brussels

By John Young, Agriculture Correspondent

## Farmers hope for price rises from EEC

The 10 EEC agriculture ministers meet in Brussels today in another attempt to resolve the issue of this year's food price increases.

Even without the complication of Britain's contribution to the Community budget, the pressures are probably greater, and the divisions deeper than on any previous such occasion. The Association of European Farmers' Unions (COFEA) has demanded a 16.3 per cent increase for those commodities governed by the common agricultural policy (CAP).

primarily wheat and barley, sugar, milk, butter, beef, pork and lamb.

Last week the European Parliament, although it has no direct say in the matter, voted in favour of a 14 per cent increase. The European Commission, which does have a say, has recommended an average 9.3 per cent increase. The food industry, consumer groups, the House of Lords select committee, the price increases averaging 9 per cent were "totally unjustifiable in current market conditions". The prices of all products in surplus should be frozen.

Just how wide the gulf is can be seen from two recent statements. The Consumers' Association declared that the price increases averaging 9 per cent were "totally unjustifiable in current market conditions". The prices of all products in surplus should be frozen.

A similarly spirited defence was heard from Herr Constantin Heeremans, president of the European Farmers' Association, at the opening of the annual "Green Week" food fair in Berlin in January.

Unemployment in agriculture was rising as a result of continued pressure on farm prices, and to endanger even more jobs would be contemptible, he said. He also claimed that there was an enormous gap between farmers' earnings and those of what he termed "comparable groups".

But Sir Richard Butler, president of the National Farmers' Union, denied that the effect of farm price increases on retail food prices was anything like as much as had been claimed. The NFU had calculated that the 16.3 per cent increase requested by the farm unions would cause retail prices to go up by about 2.5 per cent and would raise the retail price index (RPI) by perhaps one half of 1 per cent.

Farmers had played a leading role in containing food price inflation, Sir Richard said. In a period when the RPI had risen by 51 per cent, food prices increased by only 37 per cent, and of that only 13 per cent was caused by a rise in the cost of raw materials.

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The British view is that Britain's budget contribution and food prices are inextricably linked simply because so much of the budget expenditure, about two thirds, goes on the CAP. If food support prices go up, then Britain, which is said to have the smallest and most efficient agricultural sector in the EEC, will inevitably find itself paying more and getting less.

But the contention that the British taxpayer should not have to foot the bill for keeping what are contemptuously referred to as peasant farmers on the land in France, Italy, and even Germany is, not surprisingly, viewed differently in those countries.

In the rural regions of France the term *peasant*, far from being derogatory, suggests an established way of life that helps to maintain many old and cherished values. In Bavaria many mountain farms have been owned by the same family for 500 or 600 years.

For political reasons their livelihood is not going to be jeopardized, and it is hard to see how Britain's budget contribution would be reduced by subsidizing them from a social or regional fund rather than through the CAP.

Mr Peter Walker, Minister of Agriculture, is inevitably torn between his wish to get a reasonable deal for British farmers and his reluctance to be seen to be taking their side at the expense of the consumer. Unless and until agreement is reached on the

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# Labour resolves quarrel over oil compensation

By Donald Macintyre and Jonathan Davis

Labour's left and right wings appear to have resolved the bitter quarrel which came to a head last November over whether compensation should be paid to owners of oil and gas assets nationalised under a future Labour government. That emerged as Sir Ernest Woodroffe, until December a member of the board of British Gas and a former chairman of Unilever, renewed his attack on the Government's Oil and Gas (Enterprise) Bill, which, he said, would increase most gas prices. The Bill provides for the sale of oil assets owned by the British National Oil Corporation and British Gas's role as a monopoly gas supplier.

The Labour move comes after what Mr Wedgwood Benn's colleagues on the TUC-Labour Party liaison committee see as a marked shift by him from a previously unambiguous commitment to a policy of renationalization without compensation.

Although the details still have to be worked out between the party and the TUC, Mr Merlyn Rees, Opposition spokesman on energy, firmly said yesterday that there would be no confiscation of any oil and gas interests.

Mr Rees was speaking at a press conference as a lobby of Parliament protested at the Bill. A joint statement signed by Mr Rees and four unions represented at the lobby said that "the Labour Party will on renationalization ensure that nobody profits from this measure at the expense of the nation".

Mr Benn drew the anger of Mr Rees and other Shadow Cabinet colleagues in November when he said in a Commons energy debate that Labour would "re-acquire without compensation all the assets alienated by the Government".

It is now understood that fairly wide agreement is now forming around a proposal by Mr Benn under which holders of assets recovered by a Labour Government would be repaid the cash price at the time of the sale.

Payment from a fund allocated for what Mr Benn calls a "cash refund", rather than compensation, would then be made according to priorities which would put employee-shareholders and pension funds at the top. Mr Rees said that "we would look at the different types of owners and we would deal with them on a different type of basis".

Union leaders and Labour MPs at yesterday's press conference angrily attacked the Government plans for the sale of British oil and gas fields in Dorset as well as the powers under the Bill to end the sole right of purchase of gas supplies from the North Sea.

Sir Ernest's renewed attack on the plans to allow private suppliers to enter the industrial gas market is made in a letter to Mr Nigel Lawson, Secretary of State for Energy. He says: "I remain fearful that if this Bill is passed, a large section of gas customers will have to pay higher prices for its supplies".

Sir Ernest and Mr Lawson have both been circulating Conservative MPs with copies of their exchange of letters on the gas proposals in an attempt to muster support for their arguments. In his reply to Sir Ernest's original criticisms, Mr Lawson says that his Bill will stimulate exploration for gas supplies and allow more big industrial concerns to obtain gas supplies.

Sir Ernest's reply is that Mr Lawson has done nothing to allay his fears that the Bill would have "long-term damaging effects".

# UK's ability to protect islanders questioned

## FALKLANDS

The question of security in the Falklands area was being reviewed, Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs.

Subsequently, the majority of the Argentine party and the Argentine ship departed; but about a dozen men remained on shore.

We therefore made it clear to the Argentine Government that we regarded them as being present illegally in British territory, and sought their cooperation in arranging for their departure, pointing out that their position could be made more difficult if they were to seek the necessary authorisation.

Meanwhile, HMS Endurance was ordered to proceed to the area to be available to assist as necessary. She has been standing by since March 25 as Argentine vessels delivered further equipment to the group ashore.

The Argentine Foreign Minister has said that the Argentine party will be given the full protection of the Argentine Government. Argentine warships are in the area.

The situation which has arisen, while not of our seeking, is potentially dangerous.

We have no doubts about British sovereignty over the Falkland Islands dependency as over the Falklands themselves. (Cheers)

We remain of the view that the unauthorized presence of Argentine citizens in British territory is not acceptable. We have no wish to stand in the way of a normal and peaceful settlement of this dispute, but the position of those carrying it out must be properly authorized.

Further escalation of this dispute is in no one's interest. In these circumstances it is clearly right to pursue a diplomatic solution of this problem. This we are doing. The Government will take the same view. Meanwhile, the question of security in the Falklands area is being reviewed, and the House will understand that I prefer to say nothing in public about our precautionary measures.

The case, however, inform the House that HMS Endurance will remain on station as long as is necessary.

Lord Shackleton, for the Opposition, said it was a "misleading and sensational statement". None of us (he went on) would wish to exacerbate what is a potentially dangerous situation already. The situation in the Falklands is the subject of all of us preserving a sense of caution. Now is the time to exercise the maximum of diplomatic skills.

The Opposition reminds that the Falklands and South Georgia have been British for a very long period. The preservation of British interests in this part of the world — and I appreciate Lord Carrington's firm reiteration of our stand — is not only the protection of the British

people in the Falklands but could affect the peace of that area of the Antarctic.

It is important for conservation and for all sorts of measures that we retain our position in that part of the world. It is gratifying that HMS Endurance is still there. For those who doubt the effectiveness of the Government's defence policy, the decision announced some while ago to cancel HMS Endurance must have encouraged the Argentine party in their belief that the British were on the way out.

Lord Shackleton added that he was rung up by a friend at the Argentine Embassy who asked for to confirm the decision. He denied it vigorously.

We ought not (he said) to press the Foreign Secretary on the precautionary measures on the Government is taking. Nothing we say here of that kind, any belittling statement, will help a situation which is difficult to understand.

Lord Gladwyn (L) said it was hoped that diplomatic would succeed in solving the dispute. In the event of diplomatic failing (he went on) we must all assume that the Government has contingency plans, if necessary, to defend the islands by other means. In the course of this long dispute has the Government ever considered the possibility of referring the dispute by other means to the International Court and to abide by the court's decision?

Sovereignty disputes are essentially legal matters. If our court is in the event of diplomatic failing, we should lose very little and gain a great deal of prestige by submitting it to the court.

Lord Carrington: Diplomacy is the way to settle this problem. That is why we have a Foreign Office and diplomats. We must solve it in this way.

The preservation of British interests in the Falklands is in the interests of the whole of the Commonwealth. The Government supports the Antarctic Treaty and it has been useful in keeping the cold war out of the area.

HMS Endurance will stay on station as long as necessary. Of course the review which I mentioned in my speech will obviously include the long-term future of the Endurance.

It takes two to refer a matter to the International Court of Justice. I do not think they will accept a case unless both parties are prepared to put it to them.

Lord Buxton of Alton (C): The reason why the Government has been right and correct in the circumstances.

When Lord Carrington's statement was repeated in the Commons by Mr Richard Luce, Minister of State for Foreign and Commonwealth Affairs, Mr Denis Healey, the Opposition spokesman, said: The feeble statement this afternoon will lead many, even on this side, to agree

for once with The Daily Telegraph that the Government's conduct in this affair appears foolish for going as far as we should all agree that a diplomatic settlement is needed in this dispute which raises severe problems with the Atlantic Treaty which is due for renewal next year.

Mr Luce will agree with what the Secretary of State for Defence said yesterday that diplomacy must be used to succeed. There is an effective deterrent against unilateral action by the other party.

This dispute has revealed that the Government's defence priorities are mistaken. It has crippled the Royal Navy for the sake of the Trident programme, and the result is that the Argentine Navy has been able to send its ships to the Falklands.

We welcome the U-turn on the presence of HMS Endurance, but Mr Luce must be aware that the Government's defence priorities are mistaken. It has crippled the Royal Navy for the sake of the Trident programme, and the result is that the Argentine Navy has been able to send its ships to the Falklands.

Mr Luce: We do not claim sovereignty over the area and we do not have sovereignty over this area, and there is no shadow of doubt whatsoever that if it comes to the point that we are ordered to defend and support the islanders to the best of our ability. It is our objective on this incident in South Georgia to seek every diplomatic move possible for a peaceful solution.

Sir Bernard Braine (South-East Essex, C): This comic operation would never have arisen but for the continual assertion by the British Government that we have sovereignty over the Falkland Islands and nothing would happen as long as the Falkland Islanders wished to remain British, while at the same time forcing them into dependence on Argentina for access to the outside world, and threatening to withdraw, and actually withdrawing, the only Royal Navy ship in the area.

Mr Luce: We are reviewing this situation and HMS Endurance will remain on station as long as is necessary. He referred to the common sense precaution of assembling adequate naval forces in the area as the Labour Government did learn from this experience.

This is the first time we are paying for the dreadful error in priorities in the Government's defence policy.

Mr Luce: It is easy to say that. We are doing our best to resolve this problem. We have a duty to the islanders. I do not think it helps to try to make comparisons with previous governments.

Sir Nigel Fisher (Kingston upon Thames, Surbiton, C): He has been saying that he will protect the islanders to the best of our ability. The problem is that we have not got the ability. The British Government has not got the ability, but in the circumstances it is

Fisher: Not got ability.

It is the duty of the British Government to support, and defend the islanders to the best of our ability. It is surely preferable that we should do our utmost to seek a diplomatic solution, and that is what we are trying to do.

Sir Anthony Kershaw (Stroud, C): The impudence of the Argentine Government is matched only by the impudence of Mr Healey, who says it was to reduce the Navy and to make exactly the events come about which have.

It would not be a good thing if the Argentine Government instead of sending massive shipments of grain to Russia, concentrated on getting its own house in order at home and not interfering in these foreign adventures.

Mr Luce: It would be sensible for all concerned if we do not take any provocative action but take action designed to bring about a peaceful resolution of this particular problem.

Mr Luce: It is the view of the Government that public opinion in this country would support it if it were necessary, the Government would support the sovereignty over the Falkland Islands and their dependencies.

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Evans: Not deterring

really not enough. What else does the Government propose to do? Mr Luce: I do not think it would be right for me to comment in detail about the security review we are undertaking.

Sir Frederick Burden (Gillingham, F): We must while doing everything possible to settle this dispute by diplomatic means, take measures, if this was a probing operation, to ensure that the Argentine Government's forces are not successful in their landing of a certain number of men on March 24 was undertaken with the use of an Argentine naval vessel. This caused us concern and continues to do so, but that does not detract from the point that we should work as far as we can for a diplomatic solution.

Mr John Evans (Newton, Lab): Why is not our possession of a vasty expensive deterrent deterring the Argentine Government? Mr Luce: I am Minister of State for the Foreign Office and not Secretary of State for Defence.

Mr James Callaghan (Cardiff, South-East, Lab): In supporting the Government's attempts to solve this problem by diplomatic means, which is clearly the best and most sensible way of approaching the problem, there have been other recent occasions when the Argentine Government, when faced by internal troubles, have tried the same sort of tactic of diversion.

On a recent occasion of which I have full knowledge we were stationed in the Caribbean. Gibraltar and the Mediterranean. They stood about 400 miles off the Falkland Islands in support of HMS Endurance. When this became known, the Argentine Government followed suit. While I do not press him on what is happening today, I trust it is the same sort of thing.

Mr Luce: I am certain the House and I on behalf of the Government listened to what he said with great respect. We note what he has said to say.

Mr Luce: It is clear from the interchange that the Government accepts that the landing of these men in South Georgia was a deliberate provocation by the Argentine Government, for whatever purpose I do not know. It has taken place because the present Government has not taken the sensible precaution of assembling adequate naval forces in the area as the Labour Government did learn from this experience.

This is the first time we are paying for the dreadful error in priorities in the Government's defence policy.

Mr Luce: It is easy to say that. We are doing our best to resolve this problem. We have a duty to the islanders. I do not think it helps to try to make comparisons with previous governments.

# Wrong to expect more riots

## LAW AND ORDER

Mr William Whitelaw, the Home Secretary, criticised Mr Michael Foot, Leader of the Opposition, when they clashed during question time exchanges in the Commons, for asking what effects high unemployment would have this summer in Toxteth, Brixton and many other places.

Mr Whitelaw, deputising for the Prime Minister, said it would be highly irresponsible if Mr Foot was suggesting that such riots might occur.

Mr John Grant (Islington, Central, SDP) who began the discussion, said Mr Foot deplored the Prime Minister's failure to accept the link between the rising rate of crime in London and the inner cities and the Government's economic policies.

On the other hand (he continued), he deplored the kind of remarks made yesterday by Mr Ken Livingstone in which he attacked the new Commissioner of Metropolitan Police before he had even taken office at Scotland Yard. The new Commissioner, who was a bobby on the beat in the London Borough of Islington, should be given a fair run.

Mr Whitelaw: Unemployment is a factor, but not the only one, and is excusable that yesterday by Mr Ken Livingstone's remarks about the new Commissioner most deplorable. The new Commissioner was a bobby on the beat in the London Borough of Islington, should be given a fair run.

It was a considerable figure in police work in London before he went to Northern Ireland and as a bobby on the beat. I deeply resent the imputations made against him by Mr Livingstone.

Mr Foot: The Secretary of State for Employment (Mr Tebbit) just said that unemployment, particularly among young people, and the fact that a major contributory factor, would be a police officer both in the register. What effects does he think that will have this summer in Toxteth, Brixton and many other places? (Conservative protest.)

Mr Whitelaw: I find his last point highly deplorable. I would have thought that all MPs wished to see peace on our streets and not a riot of any sort in the summer. If he suggests that such riots might occur, that is highly irresponsible (Conservative cheer.)

Mr Thatcher and I have always made clear, as have other ministers, that of course unemployment and many other factors are part of the problem of crime, but there are many other difficulties and many matters for which every MP has responsibility. He knows that well.

Mr Foot: If he finds it deplorable he should go away and do his duty by reading the Scamman report which justifies up to the hilt everything said by Mr Whitelaw. I simply find it deplorable that Mr Foot should suggest that there is any excuse whatever for any violence or riots on our streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be charged or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

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Two model bullocks, sculpted by Brian Baker, will form the centrepiece of a Festival of India exhibition at the Museum of Mankind in London. The bullocks were lowered onto a lorry from Mr Baker's house yesterday.

# Drugs 'no safer' for rules costing £30m each year

By Annabel Ferriman  
Health Services Correspondent

Government regulations delay the introduction of new medicines without much increasing their safety, a report by two health economists published today says.

The elaborate testing system for new drugs, the report adds, involves at least 1,000 people in Government and industry and probably costs more than £30m a year in salaries, delays in marketing new drugs, and lost profits.

The authors, Mr Keith Hartley and Mr Alan Maynard, of York University, were examining the Medicines Act, 1968, set up after the thalidomide tragedy.

They asked 16 pharmaceutical companies in Britain, representing three quarters of those employed in the industry, to fill in detailed questionnaires on the Act's operation.

All wanted it modified to allow them more flexibility in testing their drugs. Most wanted to test their drug on human earlier in the development process.

They said the Act had had important adverse effects on research and development, including longer development times, fewer innovations, less basic research, and more clinical research and development going abroad.

The Costs and Benefits of Regulating New Product Development in the UK Pharmaceutical Industry. (Available from the Office of Health Economics, 12 Whitehall, London SW1A 2DY; £5).

# Spain blocks recovery of Laker yacht

By David Hewson

Spanish authorities have thwarted an attempt by the British liquidators of Laker Airways to recover a £150,000 motor yacht owned by the company and moored at the Palma, Majorca.

Representatives of Mr Christopher Morris, the Laker joint liquidator, were preparing to sail the Patrina to Gibraltar where it could be sold to help to offset the debts of the airline which collapsed owing £270m.

But shortly before they were due to sail Spanish detectives arrested the crew on suspicion of theft and said the yacht would be held against Laker debts in Spain.

The liquidator's team was later released, but a series of court hearings in Majorca over the past fortnight have failed to settle the future of the yacht, which was brought by Laker Airways to entertain Spanish travel agents and promote Laker flights to Spain.

Mr Morris said yesterday that two Spanish writs had been issued on the vessel, one for a claim of £24,000 from her captain, señor Pablo Palmerin, for redundancy, and one for more than £100,000 which the Spanish Airports Authority claims it is owed for weeks of unpaid landing fees.

The British team did not know the vessel was the subject of Spanish court action, Mr Morris added. The yacht is likely to be the subject of a lengthy legal argument between the British liquidators and the Spanish authorities.

# Folly for anyone to quit MSC

## EMPLOYMENT

It would be extraordinary for anyone to suggest that any of the parties to the Manpower Services Commission should walk out at a time when the Government had made more money available than ever before to implement the new initiative.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, Mr Norman Tebbit, Secretary of State for Employment, said unemployment fell this month by over £2,000, the largest fall for the month of March since the current series of figures began in 1948. Following the slow growth in the underlying rate of increase in recent months and the fall in inflation, prices and interest rates, there were grounds for hope that the increase in Britain's competitiveness was beginning to arrest the growth in unemployment.

Mr Robert Croy (Keighley, Lab): Is not that figure and the drop below 3m produced by doubling the figure of the number of men over 60 going on long-term supplementary benefit so they are counted as unemployed?

Mr Tebbit: No, the government does not create jobs; customers create jobs when they buy goods and when customers come forward to buy the goods offered by the Manpower Services Commission should walk out at a time when the Government had made more money available than ever before to implement the new initiative.

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## NEWS IN SUMMARY

## Mexican volcano kills 12

Pichucalco, Mexico. — At least 12 people were killed and 80 injured when a volcano erupted and spread ash over a wide area of south-eastern Mexico.

Several towns were isolated by the mounting ash from 34,000 ft. Chichón volcano, near Pichucalco, 550 miles south-east of Mexico City. The regions two largest airports, at Villahermosa and Tuxtla Gutierrez, were forced to close because the ash impeded visibility.

The National Geophysics Institute said the volcano began to erupt on Sunday night and spread a thick cloud of dust over a radius of 50 miles. The deaths occurred in the towns of Francisco, San Juan Ostochian and Chichón, in the state of Chiapas, bordering Guatemala.

## São Paulo jail revolt crushed

São Paulo. — Four prison staff and at least eight prisoners were killed when Brazilian military police crushed a revolt at the São Paulo state penitentiary, the authorities said.

A four-hour uprising ended when the police stormed on to the roof of the building and killed the leaders of the rebels, who had taken the governor and other prison staff hostage.

The revolt broke out when six jailed bank-robbers crossed a low-security wing and burst in on a lunch party given by Senator Luis Camargo Wolfmann, the prison governor.

## Brezhnev rests in hospital

Moscow. — President Brezhnev, who returned on Friday after a tiring four days in Tashkent, is now in hospital, according to Soviet sources. He is not said to be seriously ill, but resting and recuperating after a heavy weekend schedule (Michael Binyon writes).

Mr Brezhnev, aged 75, is understood to be in a hospital near the Kremlin which is used by top officials. The street nearby has been closed for the past two days. He fires easily and his schedule is arranged to allow him frequent periods of rest.

## Surgeon's trial for vasectomy

Rome. — Dr Giorgio Conci, a surgeon from Lucca, Tuscany, is to stand trial there on Thursday accused of intentionally causing bodily harm to 49 male patients who voluntarily underwent vasectomy operations by him. At a press conference called by the Italian Association for Voluntary Sterilization, Dr Conci said the Lucca public prosecutor had called the 49 witnesses from their homes in different parts of Italy to ask if they really had volunteered for the operation. He faces a possible 12-year sentence.

## Kidnap victim resigns seat

Naples. — Signor Cirillo, the Christian Democratic politician held by the Red Brigades for 88 days last year, has resigned his post on the regional government, saying it would free his party from unfair accusations.

He has been the subject of controversy over the £675,000 ransom paid for his release. His family says they raised the money, but there have been accusations that the party which has publicly been firm in its refusal to negotiate with terrorists, paid the ransom, using the Neapolitan underworld.

## Turkish-Greek property clash

Ankara. — Turkey has threatened counter-measures if Greece expropriated land or property of ethnic Turks in the north-eastern Greek region of Thrace.

A Foreign Ministry spokesman, asked about Turkish press reports that Athens was planning such expropriations, he said that the Turkish Government was preparing a draft Bill to take counter-measures with international law if Greece took over any of the property of ethnic Turks.

## Karpov licked

Moscow. — The Soviet post office has issued a stamp with a picture of Anatoly Karpov, the reigning world chess champion. Special first-day envelopes commemorate his victory over Viktor Korchnoi in Merano last year, and note that he has now won the championship three times in succession. It is rare for a living person to be portrayed on a Soviet stamp. Karpov already holds the Order of Lenin.

## CORRECTION

The remarks in the last paragraph of yesterday's report from Paris, claiming a pause in the pace of French Government reforms and estimating their cost, were made by M Yvon Gasse, President of the French Employers' Federation, not M Jacques Delors, the Minister of Finance.

## Arabs strike in Israel as unrest spreads

From Christopher Walker, Jerusalem, March 30

The wave of Arab protest in the occupied territories spread into Israel proper today as many of the country's 600,000 strong Arab minority staged their own series of strikes, marches and demonstrations.

The one-day protest was called to mark the anniversary of the occasion in 1976 when six Israeli Arabs were killed while demonstrating against Israeli land seizure. It was also a 48-hour strike against Israel's recent hardline policies in the West Bank and the Gaza Strip.

The extension of Arab unrest came only hours before Lord Carrington, the Foreign Secretary, was due to begin a 48-hour official visit to Israel which has already been the target of much Arab criticism.

By tonight, Arab demonstrators and police had been injured in sporadic outbreaks of violence, but the security forces were noticeably less severe than in the occupied territories where six Arabs have been killed and more than 30 injured by bullets in the last eleven days.

At least 40 Israeli Arabs were arrested during demonstrations which included the erection of barricades and the flying of illegal Palestinian flags. Slogans were shouted denouncing the recent clampdown in the West Bank in many on the hillside towns and villages in Israel's northern Galilee region.

The strike was almost total in the largest Israel Arab town of Nazareth, as it was in the old city of Acre. Many thousands of Arabs also refused to go to their jobs in Jewish-owned companies.

The solidarity strike with the West Bankers was far from unanimous, but diplomatic observers described the

## Lebanon truce divides PLO

Beirut. The scattered violence in the West Bank and Gaza is fast being mythologized in the rest of the Arab world as a mass uprising against the Israelis (Robert Fisk writes). It was celebrated in just such a fashion in Beirut today with a rally of 10,000 Palestinians, a brass band hour-long speeches by the Palestinian leadership in the city.

For the Palestine Liberation Organization (PLO) however, it is becoming an increasingly necessary myth. The growing impatience of the more extreme faction within the PLO prompted Mr Yasser Arafat, the organization's chairman, to promise last night that the ceasefire in southern Lebanon would continue.

But at least two wings of the PLO — one of them George Habash's Popular Front for the Liberation of Palestine — are arguing that the truce makes a mockery of Mr Arafat's assertion that the PLO is always ready to help its people in Israeli-occupied territories.

As the deputy commander of the Palestinian guerrillas in southern Lebanon has put it: "We have to fight for our people on the West Bank. Otherwise, how can we justify having all these weapons here? We don't want any more communities of support or solidarity or the sympathy of other Arab states."

## Outburst at cartoonist's evidence

From Meshe Brilliant, Tel Aviv, March 30

Mr Ranan Lurie, the political cartoonist of The Times, said yesterday that the Israeli Cabinet Secretary had told him Mr Menachem Begin, the Prime Minister, was on the "verge of senility".

Under cross examination before a civil service disciplinary tribunal in Jerusalem, Mr Lurie said that Mr Arye Naor, had also told him before his scheduled interview with Mr Begin, in 1980, that the Prime Minister was unable to function properly because he was on drugs and medication.

Mr Naor had also advised him to bring a photographer to take a picture of Mr Begin falling asleep during the interview, as he was bound to do, Mr Lurie said.

Mr Naor, seated beside his lawyer, exclaimed: "He's not a liar. He is a contemptible liar."

The chairman of the tribunal cut off Mr Lurie, asking "is this necessary for the hearing?" Mr Y Benish, the defense council, stopped the questioning. Mr Lurie was on the stand for 20 hours.

He said Mr Naor, who is being tried for conduct unbecoming a civil servant, had volunteered scoops and other services because he wanted help in finding a foreign newspaper job as he had expected the Likud to lose power.

The pair fell out early last year after Mr Naor wrote to the Jerusalem correspondent of Die Welt, the West German daily, which Mr Lurie had worked, stating that Mr Lurie had solicited a cable protesting that Die Welt had violated an undertaking to Mr Begin in claiming that his interview with Mr Lurie had been exclusive to the paper.

Mr Lurie claimed the letter was full of lies and was used by Die Welt as a pretext to cancel their contract with him and his right to use their office facilities.

## EEC summit



Price protest: British farmers at a meeting in Brussels to press for higher farm prices

## Pledge to aid young jobless

From Peter Norman, Brussels, March 30

EEC heads of government today promised to try to end the tragedy of young people in Europe leaving school only to go straight on to the dole.

At the end of their two-day summit meeting in Brussels, the 10 leaders agreed that the member states would strive to ensure over the next five years that all young people entering the labour market for the first time received vocational training or initial work experience as part of special youth schemes or employment.

The pledge followed a lengthy discussion of economic and social conditions in the community in which the heads of government concluded that the slight economic recovery likely in the EEC this year would be insufficient to stop unemployment growing beyond its present level of more than 10 million.

In particular, they agreed that modest economic growth would be inadequate to deal with the "intolerable situation" created by high levels of unemployment among the young.

Mrs Margaret Thatcher said the heads of government agreed that there was "no magic formula" to deal with Europe's economic problems. The leaders agreed that increased efforts would have to be made to stimulate productive investment and control production costs while the gravity of the unemployment problem required additional quick-acting measures be taken.

The emphasis in the discussions was on action in the individual member states rather than at Community level.

"We were all very practical, and down to earth about it. We were not waving a magic wand," the Prime Minister said. "The achievement of this council was the recognition that if you want to have increased investment, you have to cut consumption."

The meeting did uncover a considerable unanimity among the member states in analysing Europe's economic problems, although differences remained on how to tackle them.

Britain and West Germany laid great emphasis on keeping up the fight against inflation, maintaining monetary discipline and cutting production costs. Other countries, such as Denmark, had advocated greatly increased public spending in the course of the discussions, while the socialist governments of France and Greece had urged emphasis of European policies as a way out of recession.

The 10 leaders agreed that there were areas where exploitation of the "Continental dimension" afforded by the large internal market of the EEC could be a real advantage in promoting economic recovery.

Mrs Thatcher said a greater liberalization of services such as insurance and air transport in the EEC could help to create jobs. The leaders also vowed to press ahead with promoting high

technology industries at Community level.

But the two-day summit meeting did not consider Europe's economic problems in isolation. It was the last time the leaders of the ten will meet before the next major economic summit at Versailles in June, and international economic policy played a leading role in the discussions.

In sketching out their hopes for Versailles, they called for increased cooperation between the important industrial nations of the world, aimed notably at encouraging a reduction in interest rates and making exchange rate movements less volatile.

Japan was urged to open its market more to imported goods, while the leaders called for a strengthening of relations between the rich northern industrial countries of the world and the poor developing nations.

But with the world economic summit still two-and-a-half months away, they were careful not to adopt too stern or specify a negotiating posture.

Providing the United States, Japan and Canada agree, the Community is likely to be more strongly represented at Versailles than at any previous summit.

It was agreed that the smaller member states should be represented by both M Gaton Thörn, the president of the European Commission, and the head of Government of the country holding the EEC's six months rotating presidency.

## Strains in Soviet block links

From Ian Murray, Brussels, March 30

The summit laid considerable emphasis on foreign affairs and a good deal of study had been done on those areas which the EEC now takes a growing interest in influencing.

Relations between East and West were the predominant topic and the Community — once more complained in a final statement that events in Poland for which the Soviet Union "bore a clear responsibility" had placed a strain on relationships.

The statement opened the way for further consultation within the Organization for Economic Cooperation and Development of plans to limit further credit facilities for the Soviet Union. It also looked forward to a fruitful resumption in November of the Madrid conference on security and cooperation in Europe.

There was also a strong protest at the "negative attitude of the Soviet Union" on Afghanistan. "I am very anxious that Afghanistan should not be forgotten," Mrs Thatcher said.

There was tough wording, too, in the denunciation of measures taken by Israel in "the violations of the liberties and rights of the inhabitants of the Golan Heights as well as over the dismissal of 'the democratically elected mayors'."

## Gandhi in squabble with widow of Sanjay

From Kuldip Nayyar, Delhi, March 30

Mrs Maneka Gandhi, widow of Mrs Indira Gandhi's son Sanjay, said today that she had no immediate plans to enter politics and was willing to return to her mother-in-law's house "if she wants me back".

Last night Mrs Maneka Gandhi left the Prime Minister's residence with her two-year-old son Varun after Mrs Gandhi objected to her using the house to "carry on political activities" opposed to her and the Congress (I) Party.

Mrs Maneka Gandhi's participation in a convention in Lucknow to re-annunciate Sanjay Gandhi's programme. On her return from London, Mrs Gandhi had characterized the convention as "anti-party activity" encouraged by the press and the opposition Janata Party.

Mrs Maneka Gandhi denied the charge of joining hands with the Opposition at the Lucknow convention and reiterated the same sentiments today. She said it was all a result of a "large misunderstanding".

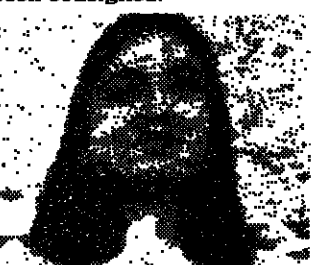
If she (Mrs Gandhi) wants me back, I will go back. I cannot return voluntarily, as I did not leave voluntarily. I said there was a "slight dispute" over the custody of Varun (Mrs Gandhi sent for some time).

Few people called on Mrs Maneka Gandhi today at a motel where she has been staying since last night. Congress (I) party men, and Sanjay men have stayed away because the party leaders, including Mr Rajiv Gandhi's son, are saying openly that what Mrs Maneka Gandhi is doing is against the interests of the party and the Prime Minister.

Only Mr Akbar Ahmed, an Uttar Pradesh legislature member, who was a close friend of Sanjay Gandhi, openly stands with Mrs Maneka Gandhi, last night Congress (I) Party as an example to others.

Other prominent associates of Sanjay Gandhi, such as Mr Kamal Nath and Mr Jagdish Tytler, both members of the federal Parliament, have not only left her, but have also issued separate statements to condemn the Lucknow convention.

Some act of defiance by Mrs Maneka Gandhi was on the cards. She could not be expected to be in sackcloth and ashes for the rest of her life, being only 25. After being in the limelight during Sanjay Gandhi's lifetime, she could not have accepted the oblivion to which she had been consigned.



Mrs Maneka Gandhi: A "misunderstanding"

## El Salvador election

## Right wing to form coalition

From Paul Killman, San Salvador, March 30

In a move which threatened to polarize even further the tumultuous post-election situation, five of El Salvador's right-wing parties have announced that they will form a government of national unity.

The five between them won nearly 60 per cent of the vote according to almost all returns from Sunday's constituent assembly elections. The remaining share goes to the Christian Democrats headed by President Jose Napoleon Duarte.

Their joint announcement represented a potentially grave setback to United States hopes that any government emerging from the vote would have a bias towards the centre and would include if not Senator Duarte, at least representatives of his ideals.

The five right-wing groups declared their intention of forming a government of national unity after a meeting at the residence of Mr Deane Hinton, the United States Ambassador, at which he had tried to impress upon them the need for reconciliation to meet the threat posed by left-wing guerrillas.

The joint declaration attracted support of the Nationalist Republican Alliance (Arena), headed by Major Roberto D'Aubuisson, the National Conciliation Party, led by Senator Raul Molina, and headed by Dr René Fortín Magaña.

The three, which respectively came second, third and fourth in the poll, were joined by two groups which obtained only small shares of the vote: the Popular Orientation Party, led by General José Alberto Medrano, an ageing figure; and the Salvadorean People's Party, headed by Senator Francisco Quintero.

The parties said that each would retain its separate identity but that together they stood for a "rejection of communism and communism."



Major D'Aubuisson: Vow to pursue vigorous war against guerrillas

Major D'Aubuisson, the third-ranked official in the Christian Democratic hierarchy, said: "Should the parties of the right succeed in their plan for a government of national unity, this would be dominated by the 'D'Aubuisson' who has been linked to a number of coup attempts and during his campaign vowed to pursue more vigorously the war against the guerrillas."

The guerrillas, operating under the umbrella of the Farabundo Martí National Liberation Movement, are expected to welcome the latest developments as justifying their argument that the election was a "farce" which would do nothing to eliminate the inequalities and brutalities of Salvadorean society.

Washington: The Reagan Administration's "unconcealed delight" at the huge turnout in the El Salvador election has given way to a mood of cautious determination to make the result a turning point for United States policy in Central America (Nicholas Ashford writes).

The United States is clearly concerned that the horse-trading between the participants in the poll could result in a coalition in which extreme right-wing parties would have an undue amount of influence. If this happened, there would be a danger that the new regime might discontinue the programme of cautious reform that the Government of President Duarte had attempted to carry out.

Mr Alexander Haig, the Secretary of State, made it clear in a statement yesterday that continued American support would be dependent on the next regime's continuing the process.

Moscow: Tass today dismissed the election in El Salvador as a "farce, and called it a 'triumph of terror' staged by the Reagan Administration. (Michael Binyon writes).

## Poland warms to E Germany

Berlin, March 30. — Poland and East Germany have agreed to build up industrial cooperation to fight Western sanctions against the Warsaw military regime and to overcome the mutual difficulties caused by Poland's economic troubles.

A communiqué issued today simultaneously in Warsaw and East Berlin after the visit here yesterday of General Wojciech Jaruzelski, the Polish leader, for talks with Herr Erich Honecker, the East German leader, said long-term needs had to be assured.

This referred particularly to fuel, raw materials, chemical products, machinery, electrical and electronic equipment and consumer

goods, the joint communiqué said.

"The solution of the most urgent economic problems in both countries and the political sanctions applied by capitalist states required more efficient and planned use of the capabilities of industrial capabilities to mutual advantage", it said.

The communiqué called on the Polish people to forget the mistakes of the past and fight against "destructive, anti-socialist activities", in order to build a secure future and a strong state.

Both countries called for support for President Brezhnev's proposal for a moratorium on the introduction of medium range nuclear missiles in Europe and said it

demand a positive response from the West.

WARSAW: The underground bulletin of the Warsaw branch of Solidarity, the free trade union, has printed a new appeal by Zbigniew Bujak the Council leader, for concerted action to save the union from extinction.

"The future of the trade union movement is at stake today. The present time will show whether it will remain independent of its free will" Mr Bujak said.

He called on members to continue resistance to martial law and bombard the authorities with requests for the restoration of the suspended union and the release of its interned leaders.

## IBA

## Appointment of Contractor for the Radio News and Information Service based in London.

Applications for the contract to provide the Independent Local Radio News and Information service in London including the national and international news service supplied to all ILR companies are invited by the Independent Broadcasting Authority.

Under the terms of the Broadcasting Act 1981, the IBA is re-advertising the specialist news and information franchise within eleven years of the introduction on October 8th, 1973 of the service provided for listeners by the London Broadcasting Company (LBC). LBC's subsidiary company, Independent Radio News (IRN), provides national and international news to all Independent Local Radio companies, and the franchise now offered is for the supply of a news service to ILR generally, as well as for the provision of news to London.

A document containing particulars, including a coverage map and details of the information required from applicants may be obtained on written request from the Secretary to the Independent Broadcasting Authority, 70 Brompton Road, London, SW3 1EY. The contract from October 1983 will be subject to a statutory maximum of eight years, at which point the franchise must, under the terms of the Broadcasting Act 1981, be re-advertised again.

Applications should reach the Secretary to the Authority not later than noon on Thursday 24th June 1982. The Authority aims to award and announce the offer of contract from October 1983 during the autumn of this year.

Information Office IBA Tel: 01-584-7011 Ext. 446.



# Iraq forced into humiliating retreat by Iran

By Henry Stanhope, Defence Correspondent

Iraq's military command is withdrawing its 4th Army from positions on the Gulf war front after what looks like a humiliating reverse at the hands of Iranian forces.

President Saddam Hussein was quoted by the official news agency in Baghdad yesterday as explaining to the Army that it had been decided to regroup them in the rear "after your blows absorbed the advance of the enemy attack."

They were not to feel bitterness for the lands they were abandoning voluntarily, according to the Iraqi leader, whose call for a ceasefire earlier this week had been rejected by the increasingly confident government in Tehran. The Iraqi withdrawal follows what Western intelligence sources have described as significant Iranian successes on the Shush-Dezful front.

Tehran radio yesterday was claiming that Iranian troops had smashed three Iraqi divisions and recaptured 800 square miles of territory. About 15,000 Iraqi soldiers had been taken prisoner in the offensive which began eight days ago and was said to be the biggest military advance in the 18-month Gulf war.

Some hundred tanks and armoured troop carriers and 165 artillery pieces had been destroyed or captured as well as surface-to-air and surface-to-surface missiles. The Abu Qarib oil wells, claimed by the radio to be the most important in Khuzestan, were also now back in Iranian hands.

Yesterday's developments, which coincided with a visit to Baghdad by King Hussein

of Eym Khowsh, to the north of the salient, and the Reqaibeyh Pass to the south of it. Rough terrain between would make it difficult for them to close the jaws of the pincers on the 25,000 Iraqis who were dug in on the stronghold.

Even before yesterday's admission from Baghdad, intelligence reports were circulating in the West that Iraqi troops were filtering back through the gap to avoid becoming trapped.

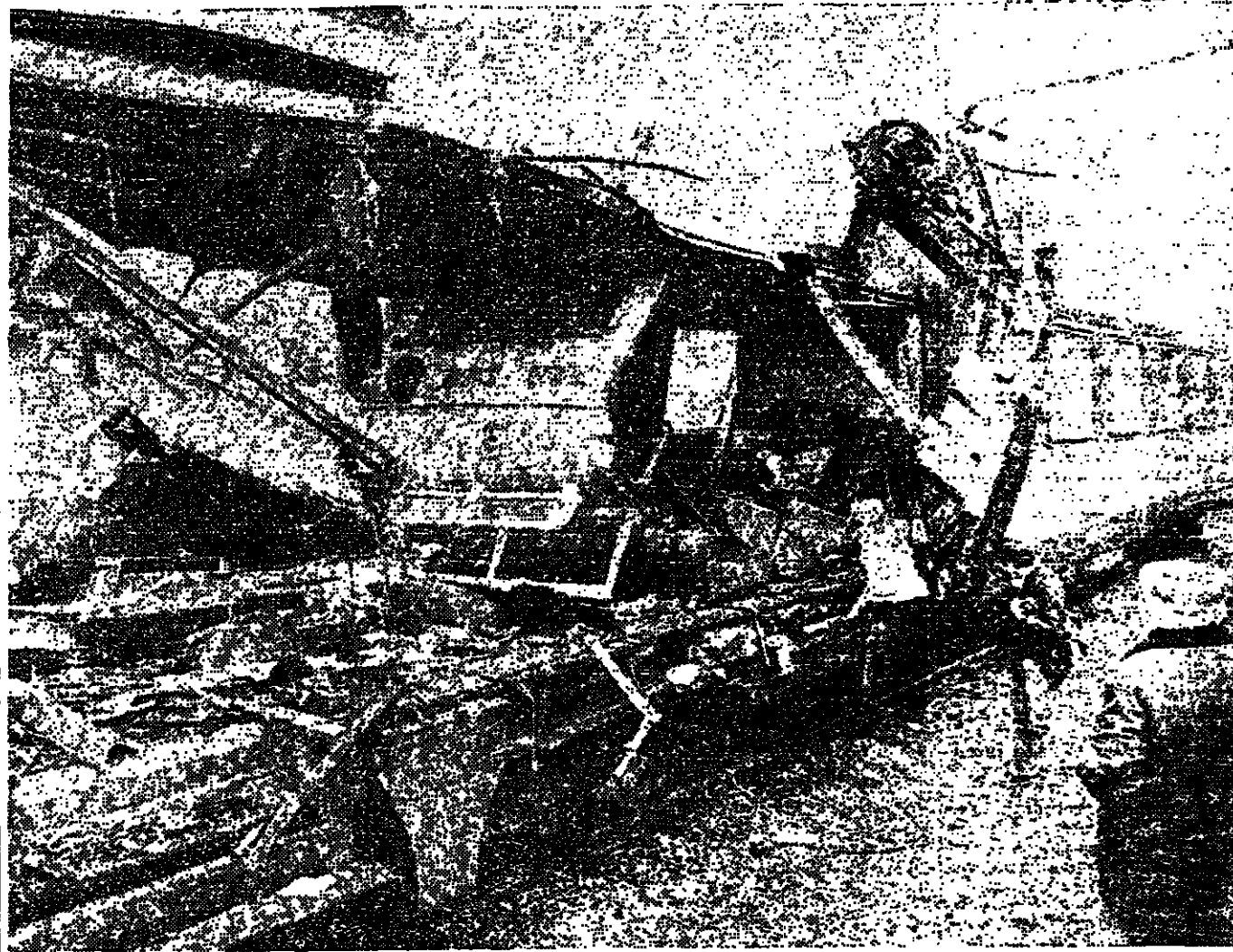
The latest Iranian successes follow similar counter-offensives last year in which they pushed back the Iraqis in the area round Susangerd, and lifted the near-siege of Abadan. Although Iraqis still shell Abadan in desultory fashion, the Iranian shells falling on Basra are said to be more damaging.

Western intelligence observed the Iranian build-up on the Dezful-Shush some time ago and expected the offensive to start in February. But the Iraqis also read the signs correctly and launched a spoiling action of their own which forced the Iraqis to delay.

Three Iranian divisions, the 21st, 7th and 92nd Armoured, are understood to have led the Iranian assault, with a number of independent brigades making up a total of four division equivalents.

Revolutionary Guards are thought to have attacked in combination with the Army, the regular armoured units protecting their flanks in classic Islamic fashion as they advanced towards the Iraqi positions.

Although analysts have



Shattered wreckage: The coach of the Capotele express destroyed by an explosion outside Limoges.

## French train blast baffles police

Limoges, March 30. — Police said today that last night's explosion on the Capotele express train which killed five people and injured 28 was caused by a package of explosives on a luggage rack. But they said it was not clear whether it was a bomb attack or whether explosives being transported by terrorists had gone off accidentally.

The explosion happened seven minutes before the Paris-Toulouse express with 300 people on board was due in Limoges when the train was travelling at about 90 miles an hour. The train stayed on the tracks but the explosion blew out the end of a coach, hurling two bodies into a field.

Rescuers used cutting equipment to free the injured from the wreckage and said the bodies of the dead, including a child, were badly mutilated.

One of those killed was Mme Marie-Claire Bardon, sister of M Jean Pierre Fourcade, the former Finance Minister. — Reuter.

Paris: Before the arrival of rescue teams and police, passengers volunteered to assist the wounded. But there was no first aid kit on board and a doctor and nurse had to use whisky from the bar to disinfect wounds, (Charles Hargrove writes). The train, which had been towed into the station of Ambazac, where investigators began

examining the damaged coach, was allowed to proceed two hours later.

A young woman passenger reported to the police that she had observed the strange comings and goings of a young man. An eyewitness said in a television interview that the explosion occurred after an argument between two passengers over a briefcase.

No one has claimed responsibility for the explosion. Police are checking the identity of all the people on the train, and it has already been established that none of the five victims had a terrorist past, or a criminal record.

Mr Charles Fitterman, the Communist Minister of Transport, went to Limoges this morning to visit the wounded on behalf of the government, and confer with the police. He said it was far too soon to hazard any theories on the causes of the explosion.

Police are checking for connections with international terrorists such as Illich Ramirez Sanchez, known as "Carlos", who is wanted in several countries. At the beginning of this month he delivered an "ultimatum" to the French Government demanding the liberation of two of his "friends", a German and a Swiss who were arrested last February in Paris and suspected of being members of the Baader-Meinhof gang.

## Letter from Accra

### Anyone for tennis, peradventure?

The crackle of automatic rifle fire made me turn round sharply as I walked along the pavement away from the telecommunication headquarters. It came from some soldiers guarding the building, who were firing into the air in a gesture apparently designed to keep citizens on their toes.

It was a few weeks after Flight Lieutenant Jerry Rawlings' coup, and continuing my walk in a nonchalant manner as I could muster I came upon a white-robed Ghanaian priest standing outside an imposing church and gazing intently towards the source of the shooting.

Wishing to engage such a reassuring figure in conversation, I asked him if this was the Roman Catholic cathedral. "No," he replied gravely. "We are Anglicans. You will find the Roman Catholics next to the lunatic asylum."

This was no counter-ecumenical jibe, for in Accra the asylum is a principal landmark which gives its name to a whole district of the city, and is known to everybody as "Asylum Down".

Wherever English is spoken people have tossed aside any notion that there is a correct way to use it, and Ghana is no exception. Under the new regime the language of revolution has invaded the vocabulary — "people's defence committees" gain increasing sway over official and commercial life and backsliders are threatened with "unprecedented revolutionary justice" — but Ghanaians cling to many of their traditional, colourful, English usages.

In ordinary conversation, particular Ghanaian use of words probably stems from a mixture of retained archaic terms dating from the influence of missionary education, literal translation from local languages and sheer inventiveness. Where else in the English-speaking world will you still

hear the word "peradventure", meaning "perhaps", used in current speech?

"Esquire" as a polite means of direct address survives, and travelling on but your neighbour might lean over and say: "Esquire, could I borrow your newspaper?"

Whereas many English speakers punctuate their speech with all manner of superfluous expletives, Ghanaians fill in the gaps with the phrase "this thing", more usually abbreviated to "disting". This can mean almost anything and has far wider applications than "thingamajig". The most analogous to the French *choses*, *trucs* or *machins*, with overtones of "what's his name" and "you know what I mean" thrown in.

Some expressions have a biblical ring. Of a pregnant woman it can be said that "she has taken seed", while others perhaps derive from local custom in which chiefs are entooled, or if they lose their people's confidence, are destooled. A government official who is at his desk in his office is described as being "on seat".

Terms used to describe clothing can also confuse. "Dresses" refer to a man's clothes rather than a woman's and "knicker" (usually singular) means a man's pair of shorts.

In Nigeria, oddly enough, knickers retain their British-English connotation of undergarments, and in Lagos I have heard a brasserie described as "knickers for another matter" and in any case, I hope you will not get me wrong if I say that the hour has come when I should no longer be on seat, but should close, change my dresses, put on my knicker, and take some exercise — a game of tennis or disting peradventure?

Godfrey Morrison



of Jordan, President Hussein's most loyal Arab ally during the war, are supported to a large extent by Western intelligence. There was scepticism last night about the casualties the Iraqis are said to have suffered, but the Iranian estimates of the land captured and the significance of their victory has been broadly confirmed.

According to intelligence assessments, 40,000 Iranian regulars, as well as an unknown number of revolutionary guards, have been fighting for more than a week to work a pincer movement on the Iraq forces facing the city of Dezful.

The Iraqis were said to have reached the small town

been impressed by the Iranian capacity to dislodge the Iraqis, they remain sceptical of Iran's chances of advancing much further.

Ideally the Iraqis would like to capture a small portion of Iraqi territory to increase the domestic pressures upon President Hussein. Meanwhile, success has made the Tehran authorities more unwilling to accept a compromise peace package.

Sources point to the resurgent way in which the Iraqis have announced this latest success, in contrast to the extravagant claims they made after earlier defeats. That in itself, they point out, is an indication of their growing confidence.

## Weinberger promises to modernize Seoul army

Seoul, March 30. — Mr Caspar Weinberger, the United States Defence Secretary, today announced moves to modernize both the American forces in South Korea and the South Korean Army.

He made the announcement at the opening of a two-day meeting here to review what is regarded as the North Korean threat to the South and the two countries' military strength.

He said that in the mid-1980s more advanced States M60 tanks would replace about 100 M48 tanks now in use. The M48s would be offered for sale to South Korea under an American military aid programme.

He was taking part later in a ceremony dedicating facilities at Suwon air base, south of Seoul, built by South Korea for the new A10 aircraft the United States is deploying there.

Mr Choo Young-bok, the South Korean Defence Minister, sought lower United States interest rates than the current 14.5 per cent on loans to buy American arms.

Mr Weinberger said he would recommend a lower rate to the United States Treasury. The Adminis-

## Botha calls congress to restore party unity

From Michael Hornsby, Johannesburg, March 30

A rare federal congress of the ruling National Party has been summoned to meet in Bloemfontein, the capital of the Orange Free State, on July 30 and 31 by Mr P. W. Botha, the South African Prime Minister.

It is seen here as an attempt to restore party unity after the ructions caused by the right-wing breakaway of Dr Andries Treurnicht, and to prepare the ground for the acceptance of new constitutional proposals.

There have not been more than half a dozen such congresses since the National Party was founded in 1914. The last being held in 1968 to commemorate the party's first 20 years in power.

The main purpose of the Bloemfontein congress, it is believed here, will be to persuade the rank and file of the party to share political power with coloureds (mixed race) and Indians in line with proposals expected to be announced in May by the President's Council, an advisory body on constitutional matters set up in 1980.

"Power-sharing" was the issue which led to the revolt, and subsequent expulsion from the NP, of Dr Treurnicht and 15 other right-wing MPs earlier this month.

Mr Botha evidently hopes to preempt any moves by the provincial congress of the Transvaal NP, of which Dr Treurnicht was chairman until his expulsion, to torpedo the "power-sharing" proposals.

The NP is made up of four largely autonomous provincial parties in: Transvaal, Orange Free State, Natal and the Cape. They all hold annual provincial congresses, which this year are due to take place in August and September.

Decisions taken by the federal congress are not binding on the provincial congresses, but they exert powerful pressure, and there is no precedent for their being overruled.

As leader of the NP in the Cape, Mr Botha's control of the party, in a country where regional rivalries remain bitter, depends on his holding together a coalition of support against the dominant and conservative Transvaal.

If the President's Council's proposals go further than existing party policy, Mr Botha, has hinted that he might call a national referendum in the (probably justified) belief that a majority of white voters would support him.

## West tries again on Namibia

By David Cross

The five Western nations which are trying to secure an independent Namibia are to launch a fresh initiative after this week to overcome black African opposition to their plans for elections to a constituent assembly.

A delegation led by Mr Chester Crocker, the American Assistant Secretary of State for African Affairs, and M Jean Aussel, his counterpart at the French Foreign Ministry, is to meet Mr Sam Nujoma, head of the South West Africa People's Organisation (Swapo), and representatives of black African front-line states in Luanda, the Angolan capital. The five will present a revised series of proposals on how the proposed elections should be conducted.

According to sources in Whitehall, the refinements will seek to meet Swapo and black African concern that earlier proposals for elections were too complicated for ordinary Namibians. The basic system, which involves giving each Namibian two votes — one for a single member constituency and the other for proportional representation — remains unchanged.

The five have rejected any modification for fear of alienating the South African Government, which is likely to reject any election system which might lead to an automatic majority of Swapo representatives in a constituent assembly.

The five, who also include Britain, West Germany and Canada, are anxious that progress should be made on elections because this is holding up final agreement on the first phase of the plan. Only when it is resolved can talks begin in earnest on the second phase of the process.

The delicacy of the process has been highlighted in the United Nations with the appointment of a new commissioner for Namibia. To the dismay of the five, he is Mr Brahaj Mishra, an Indian diplomat who has been strongly anti-Western on Third World issues. The five fear that the South Africans may use Mr Mishra's appointment as an excuse for delaying progress towards Namibian independence.

## NEWS IN SUMMARY

### Paratroops jailed for killing

Foir, Southwest France. — Three British paratroops were each sentenced to five years' imprisonment, one was suspended, after being found guilty with extenuating circumstances of killing an Algerian-born Frenchman during what their defence lawyer called "a night of madness".

Peter Doswell, aged 26, from Southend, Gerald Lamb, aged 24, from Leeds, and John Martin, aged 21, from Manchester, were training with a French regiment last October at Pamiers, near here. They were charged with beating M Schick Djebli, aged 29, to death after a night out in Pamiers's red-light district.

The paratroops said M Djebli offered to take them to a discotheque, but they thought he tried to make fun of them, and instead led them to a brothel. There was a fight, in which M Djebli was killed.

### Plan to rescue Danish papers

Copenhagen. — The Berlingske House, the Danish newspaper publisher, announced a plan to save *Berlingske Tidende*, the conservative newspaper founded in 1749 (Christopher Follett writes).

The financial reconstruction plan for the Berlingske group, which also includes a popular daily tabloid, a serious weekly journal, two weekly glossy magazines and two provincial newspapers, calls for 150m kroner (£10.6m) in fresh equity capital. If it is not raised by the end of the year, the newspapers are to be closed.

### Malta boycott MPs warned

Valletta. — Dr Daniel Micallef, the Speaker of Malta's House of Representatives, warned Nationalist Party members that they could lose their seats unless they ended a boycott of sittings in protest against the last elections.

He gave them until April 26 to attend Parliament, which reopened six weeks ago. The Nationalists' 114,168 votes at the election gave them 31 seats in the House whereas the Malta Labour Party's 109,990 votes won 34 seats. They claim boundaries were redrawn in Labour's favour.

### Typhoon's toll

Manila. — President Marcos declared a state of calamity in six central Philippines provinces hit by the typhoon. It is estimated that 50 people died and 27,000 were left homeless. About 300,000 are in need of relief.

## US nuclear freeze movement

### Growing protest confronts Reagan

From Nicholas Ashford Washington, March 30

In the 1960s there was the civil rights movement. Then in the 1970s came affirmative action and the environmentalists. Now the nuclear arms race looks like becoming a central political issue during the first half of the 1980s.

Support for a nuclear weapons freeze has mushroomed like an atomic cloud during the past three months. In California more than half a million people have signed a petition calling for a bilateral nuclear freeze. About 240 New England towns meetings have endorsed nuclear freeze motions this year.

In Indianapolis a church group is withholding the 2 per cent federal excise tax on its telephone bill in protest against the nuclear arms race.

According to a poll published by *Newsweek* magazine, 54 per cent of those questioned favoured a freeze, compared with 29 per cent who were against. Thirty-two per cent felt the Reagan Administration's policies were increasing the risk of nuclear war, compared with 21 per cent who felt they were making a nuclear conflict less likely.

In Congress lines are being drawn between those who favour a bilateral freeze at present weapons levels and those who support the Administration's approach of negotiating arms reductions with the Russians from a position of strength.

A motion drawn up earlier this month by Senator



Senator Kennedy: Wants comprehensive freeze.



Senator Jackson: Opts for long-term approach.

Edward Kennedy and Senator Mark Hatfield calling for a comprehensive nuclear weapons freeze by the two superpowers has already won the support of 23 senators and about 150 representatives. A Kennedy aide said it was hoped there would eventually be sufficient support in Congress to put a freeze resolution to the vote.

In an attempt to head off support for the Kennedy-Hatfield motion an alternative resolution has been drawn up by Senator Henry Jackson and Senator John Warner calling for the Administration to propose to the Soviet Union a long term, mutual and verifiable nuclear freeze at equal and sharply reduced levels of forces.

By placing emphasis on long-term reductions the

Jackson-Warner proposal is intended to allow the Administration time to build up America's nuclear forces so that it can talk to the Soviet Union from a position of strength.

That President Reagan is expected later this week to announce his endorsement of negotiations for a gradual reduction in nuclear weapons is a sign of how seriously the Administration is taking the nuclear freeze movement.

Some observers believe the nuclear arms race could become a major issue in the November Congressional elections and could serve to increase the growing disillusionment with the administration's programme.

"The strength of the nuclear freeze campaign is the variety and the broad base of its support," says Ms

Barbara Roche, co-director of the National Clearing House for the Nuclear Weapons Freeze Campaign. She points out that advocates of a bilateral freeze include not just pacifist and left-wing groups, but also a number of conservatively-inclined professional and church bodies.

Among those supporting a freeze are a former assistant director of the Strategic Arms Control and Disarmament Agency, a negotiator in the second round of the strategic arms limitation talks (Salt 2) and a former deputy director of the Central Intelligence Agency.

Perhaps more important than the numbers involved is the publicity that the freeze movement is getting. It has been the subject of television documentaries and recently was the cover story in *Time* magazine.

Public attention will again be focused on the dangers of nuclear war during what is known as Ground Zero Week, which is to take place throughout the country next month.

Ground Zero is an organization set up in 1980 by Mr Roger Molander, a former nuclear strategist with the National Security Council.

Mr Molander says he first started worrying about the possibility of a nuclear conflict after hearing an Air Force colonel lecture him about how the United States should have "nuked" the Soviet Union in the 1940s before they got the bomb. "If Salt would go away we would have the capability to nuke them again," he was told.

## Turkish pledge on rights

Ankara, March 30. — General elections in Turkey will take place in 1984 as scheduled, after a constitutional referendum this autumn, the chairman of the Constitutional Assembly constitutional committee, Professor Orhan Aldikacti said today.

All basic freedoms as defined by the 1979 Declaration of the Rights of Man and the charters of the United Nations and the Council of Europe would be guaranteed by the new constitution, Professor Aldikacti said.

"Basic freedoms are irreversible and the fact that they are temporarily suspended does not mean that we can indefinitely go back on them," he said.

Turkey has been accused of human rights violations ever since the military coup in September 1980, which introduced martial law and suspended a number of basic rights and freedoms.

The main points of the new constitution had been drawn up already, he said. He was against presidential systems which led to a succession of coups such as in Latin America, or to wars such as the one in Vietnam by the decision of a single president (John F Kennedy). — AFP.

The confrontation between Mr Bulent Ecevit, the former Prime Minister, and Turkey's rulers continued today when Mr Ecevit appeared before the military prosecutor for the second time this month (Racit Gurdik writes).

The reason for the summons was an alleged signed article which had appeared in the West German magazine *Der Spiegel* in contravention of a ban on political statements by former politicians. Mr Ecevit declined to comment.

## Cantonese may topple English

From Richard Hughes, Hongkong, March 30

An international panel of educational authorities who have been studying Hongkong's teaching system for six months have recommended that Chinese should replace English as the mother tongue in the early years of schooling here.

The educationists come from Britain, Australia, Malaysia, Singapore, Denmark, Canada and Japan.

Mr Kenneth Topley, the Hongkong Secretary for Education, expressed doubts, however, about forcing all

pupils to use the mother tongue for the basic years of education. It would be Cantonese and not Mandarin in any case. "I see some dangers in imposing the switch as a matter of policy," he said.

Mr Colwyn Haye, the Director of Education, also sounded a warning against "any rush into hasty decisions".

Professor Ungku Aziz, of the University of Malaya, pointed out that Malay was used as the medium of instruction in his country from kindergarten to univer-



## The actual programme

**April 10, 1981**  
Launch of first manned orbital test flight delayed.

**April 12, 1981**  
First test flight launched.

**April 14, 1981**  
First test flight lands successfully after some loss of fuel.

**September 30, 1981**  
Second manned orbital test flight planned.

**October 9, 1981**  
Rescheduled date for second flight. Postponed.

**November 4, 1981**  
Rescheduled date for second flight. Postponed at last minute for computer and technical problems.

**November 12, 1981**  
Second launch successful.

**November 15, 1981**  
Columbia touches down two days early after faulty fuel cell.

**March 22, 1982**  
Third test flight launched one hour behind schedule.

**March 30, 1982**  
Third flight lands safely one day late after minor in-flight hitches.

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to romanticize. Not all the romanticizing is justified by the facts, and very little of it is convincing.

It was disclosed over a year ago that the shuttle would be used for test aiming and tracking devices of the kind that would be needed if the United States were to contemplate putting laser or particle beam weapons into space. Whether such weapons have a place in future arsenals or whether their fundamental disadvantages will restrict them to the world of space mythology is still open to doubt.

Few scientists are so sceptical that they doubt whether laser guidance will ever be possible. But they regard the prospect as more distant and their effectiveness more debatable than is often assumed.

On the other hand the Russians have impressed Western observers by some of their work with so-called killer satellites — bringing the "killer" to within a quarter of a mile of the target then destroying it with shrapnel by means of a conventional explosive.

The shuttle would improve a nation's ability to put these anti-satellites (Asats) into orbit — or to boost them into a yet higher trajectory — operating like a guided missile cruiser at sea, before returning to earth to reload.

The Outer Space Treaty of 1967 made it clear that he who interferes with the satellites of another power is violating international law. The 1972 Anti-Ballistic Missile (ABM) Treaty outlaws space-based ABM systems and the Salt I agreement accompanying it prohibits interference by the superpowers with each other's means of verifying adherence to the terms.

But the development of space weapons has so far been allowed to continue without legal hindrance. The shuttle, on its defence as well as its scientific missions, is unfettered. To pretend that it is likely to promote a new arms spiral in space would be to underestimate what is already going on. But it could become part of that spiral and could accelerate its progress.

### Henry Stanhope

*Defence Correspondent*

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## ART GALLERIES

**AGNEW GALLERY** 31 Old Bond St. W.1. **BERNARD DUNSTON**, R.A. 19th March Mon-Fri 9.30-5.30.

**ANTHONY P. OFFAY**, O.C. 45 Dering St. W.1. **ERIC GUTHRIE**, 1940 / **JOSEPH BROWN**, 1929-1978.

**BARBICAN CENTRE ART GALLERY** 100 Strand, W.C.2. **FRANCOIS TRUFIN**, 1944-52. **NEW IMPRESSIONS** 19th March Mon-Fri 10-5. **Sun & Bank Holiday** 12-4. **Adm. 50p.**

**BETHNAL GREEN MUSEUM OF MODERN ART** 100 Bethnal Green, E.2. **INDIAN PLAYING CARDS** 10th-12th April, 10-5. **Sun 10-4. Closed** 13th April.

**BLACKMAN HARVEY GALLERY**, 11 Old Bond St. W.1. **CLARENCE GRIFFITHS**, 1904-1978. **MONMOUTH**, 19th March-4 April. Mon-Fri 10-5. **Sun 10-4. Adm. 50p.**

**BRITISH LIBRARY** Great Russell St. London W.C.1. **Japanese Postcard** 19th March-4 April. **Sun 10-4.** 27th April, 10-5. **Sun 10-4.**

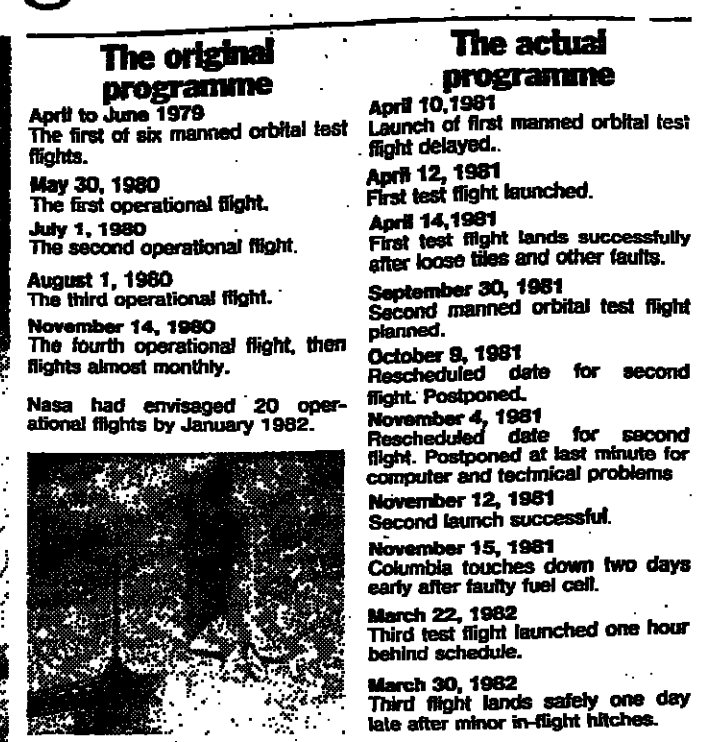
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**FINCH** 19th March-24 April. **St. James's** 19th-22 April. **William** 23-26 April. **William** 27-30 April. **William** 1st April. **William** 2nd April. **William** 3rd April. **William** 4th April. **William** 5th April. **William** 6th April. **William** 7th April. **William** 8th April. **William** 9th April. **William** 10th April. **William** 11th April. **William** 12th April. **William** 13th April. **William** 14th April. **William** 15th April. **William** 16th April. **William** 17th April. **William** 18th April. **William** 19th April. **William** 20th April. **William** 21st April. **William** 22nd April. **William** 23rd April. **William** 24th April. **William** 25th April. **William** 26th April. **William** 27th April. **William** 28th April. **William** 29th April. **William** 30th April. **William** 1st May. **William** 2nd May. **William** 3rd May. **William** 4th May. **William** 5th May. **William** 6th May. **William** 7th May. **William** 8th May. **William** 9th May. **William** 10th May. **William** 11th May. **William** 12th May. **William** 13th May. **William** 14th May. **William** 15th May. **William** 16th May. **William** 17th May. **William** 18th May. **William** 19th May. **William** 20th May. **William** 21st May. **William** 22nd May. **William** 23rd May. **William** 24th May. **William** 25th May. **William** 26th May. **William** 27th May. **William** 28th May. **William** 29th May. **William** 30th May. **William** 31st May. **William** 1st June. **William** 2nd June. **William** 3rd June. **William** 4th June. **William** 5th June. **William** 6th June. **William** 7th June. **William** 8th June. **William** 9th June. **William** 10th June. **William** 11th June. **William** 12th June. **William** 13th June. **William** 14th June. **William** 15th June. **William** 16th June. **William** 17th June. **William** 18th June. **William** 19th June. **William** 20th June. **William** 21st June. **William** 22nd June. **William** 23rd June. **William** 24th June. **William** 25th June. **William** 26th June. **William** 27th June. **William** 28th June. **William** 29th June. **William** 30th June. **William** 1st July. **William** 2nd July. **William** 3rd July. **William** 4th July. **William** 5th July. **William** 6th July. **William** 7th July. **William** 8th July. **William** 9th July. **William** 10th July. **William** 11th July. **William** 12th July. **William** 13th July. **William** 14th July. **William** 15th July. **William** 16th July. **William** 17th July. **William** 18th July. **William** 19th July. **William** 20th July. **William** 21st July. **William** 22nd July. **William** 23rd July. **William** 24th July. **William** 25th July. **William** 26th July. **William** 27th July. **William** 28th July. **William** 29th July. **William** 30th July. **William** 31st July. **William** 1st Aug. **William** 2nd Aug. **William** 3rd Aug. **William** 4th Aug. **William** 5th Aug. **William** 6th Aug. **William** 7th Aug. **William** 8th Aug. **William** 9th Aug. **William** 10th Aug. **William** 11th Aug. **William** 12th Aug. **William** 13th Aug. **William** 14th Aug. **William** 15th Aug. **William** 16th Aug. **William** 17th Aug. **William** 18th Aug. **William** 19th Aug. **William** 20th Aug. **William** 21st Aug. **William** 22nd Aug. **William** 23rd Aug. **William** 24th Aug. **William** 25th Aug. **William** 26th Aug. **William** 27th Aug. **William** 28th Aug. **William** 29th Aug. **William** 30th Aug. **William** 31st Aug. **William** 1st Sept. **William** 2nd Sept. **William** 3rd Sept. **William** 4th Sept. **William** 5th Sept. **William** 6th Sept. **William** 7th Sept. **William** 8th Sept. **William** 9th Sept. **William** 10th Sept. **William** 11th Sept. **William** 12th Sept. **William** 13th Sept. **William** 14th Sept. **William** 15th Sept. **William** 16th Sept. **William** 17th Sept. **William** 18th Sept. **William** 19th Sept. **William** 20th Sept. **William** 21st Sept. **William** 22nd Sept. **William** 23rd Sept. **William** 24th Sept. **William** 25th Sept. **William** 26th Sept. **William** 27th Sept. **William** 28th Sept. **William** 29th Sept. **William** 30th Sept. **William** 1st Oct. **William** 2nd Oct. **William** 3rd Oct. **William** 4th Oct. **William** 5th Oct. **William** 6th Oct. **William** 7th Oct. **William** 8th Oct. **William** 9th Oct. **William** 10th Oct. **William** 11th Oct. **William** 12th Oct. **William** 13th Oct. **William** 14th Oct. **William** 15th Oct. **William** 16th Oct. **William** 17th Oct. **William** 18th Oct. **William** 19th Oct. **William** 20th Oct. **William** 21st Oct. **William** 22nd Oct. **William** 23rd Oct. **William**

## Why should the shuttle keep blasting off?



to a nation's ability to put these anti-satellite weapons into orbit or to boost them into a yet higher trajectory — operating like a guided missile cruiser at sea, before returning to earth to reload.

The Outer Space Treaty of 1967 makes it clear that he who interferes with satellites another power is violating international law. The 1972 Anti-Ballistic Missile (ABM) Treaty outlaws space-based ABM systems and the Salt I agreement accompanying it prohibits interference by the superpowers with each other's satellites, thus justifying adherence to the terms.

But the development of space weapons has so far been allowed to continue without legal hindrance. The shuttle, on its defence as well as its scientific missions, is often used to pretend that it is likely to promote a new arms spiral in space would be to underestimate what is already going on. But it could become part of that spiral and could accelerate its progress.

**Henry Stanhope**  
*Defence Correspondent*

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David Watt examines the growing rift between Britain and Argentina

## These paltry islands keeping us apart

Britain's row with the Argentine over the Falkland Islands must be one of the most incongruous and unnecessary international disputes that has ever broken out between states. The territory in question is impoverished and inhospitable; neither country actually needs it for its own strategic purposes (alleged oil treasures are problematical and both Britain and the Argentine are well endowed with energy resources for the time being). Neither country has the slightest reason otherwise to quarrel with the other, and each has indeed every reason to be on excellent terms.

Britain made the largest contribution to any country to the Argentine's development in the nineteenth and early twentieth centuries, and the English visitor to Buenos Aires is constantly touched by legacies of the connection — the English and Scottish family names that crop up so unexpectedly linked to Spanish; the Victorian pillar-boxes (painted, admittedly, a villainous yellow) that adorn the street corners; Sir Thomas Lawrence's delightful portrait of the Duke of Wellington which still looks down its long nose at the Argentinian upper crust from above the fireplace of the Jockey Club.

Altogether, in fact, Buenos Aires is the most European of South American capitals. Because it was too poor to afford slaves in the eighteenth century, and killed off the Indian population in the nineteenth, there is hardly a black or brown face to be seen.

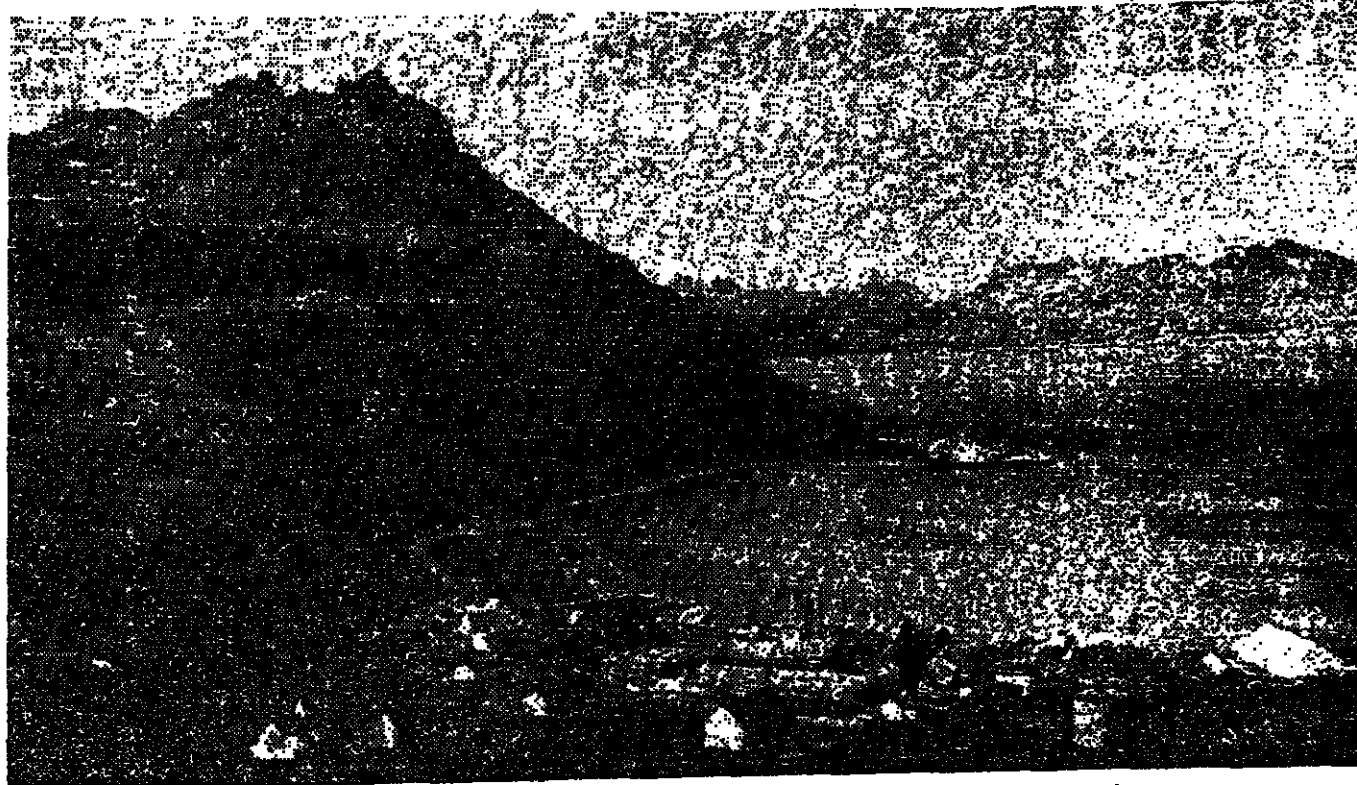
With its theatres and art galleries and belle-epoque buildings and tree-lined streets it exudes an attractive pre-war cosmopolitanism. American culture is nowhere to be seen; and in such a city the British Embassy, a vast Italianate palazzo in magni-

cent grounds, still counts for something.

Moreover, the ruling military junta has far more important things on its mind than the Falklands. At home they are slowly emerging from a five-year nightmare of terrorist violence followed by their own campaign of hideous counter-repression in which several thousands of people disappeared in the clutches of semi-autonomous, but also semi-official, killer squads. The promise returned to democratic government is being made at a painfully slow pace, and real elections still look a long way off, but some effort is being made to regularise the status of the 600-plus "disappearances" who are still alive and in custody. The government is also struggling with an economy still suffering from the annual inflation rate of 85 per cent which is the economic consequence of their characteristic political arrangements — wage inflation and Peronist populism and absurdly bloated defence expenditure under the military.

Abroad, their first gaze falls not on the Falklands but on the crisis in Central America to which, like most other Latin American countries, they have extremely complicated reactions. The Argentine government does not like the idea of a Marxist "ball" cutting the hemisphere in half — less perhaps because of the possibility of a southward collapse of the dominoes (the great mass of Brazil lies between them and the Caribbean) as because, being right-wing military gentlemen, they disapprove of communism in principle.

On the other hand it suits the Argentine to remain a member of the "non-aligned" group in the UN — a position they share with Fidel Castro.



The point at issue: Grytiken whaling station on the island of South Georgia.

The United States is Argentina's largest trade partner, but the country has cultivated at least a certain distance from the US for many years and has occasionally quarrelled violently with them, as when the Carter administration dropped credits and cut military aid in protest against the Argentinian counter-terror methods.

Moreover, trade with Cuba is considerable, and trade with the Soviet Union very large indeed. Argentinian officials display some slight embarrassment at this last fact, but the Soviet need for grain and meat is insatiable and the fact that Argentina supplies it without any of the difficulties that attend purchases from the US or other Western countries, brings its rewards in the form of Soviet support, or at least neutrality, in the UN, when awkward questions of human rights in Argentina are raised.

The Reagan administration is busily wooing the junta, which it sees as a potentially stabilizing factor on the scene, and seems to have established some links and understanding on the private level. But the interesting fact is that neither Argentinian nor the internal politics nor the Argentinian desire to cut a credible figure on the Latin American scene allows the junta to be seen in public as in any way a tool of

American policy. Consequently, if, as has been reported, the Argentinians are selling arms and technical advice to Guatemala and the Duarte government in El Salvador, it is being done very discreetly and is accompanied by loud expressions of desire to deal with the problem by a kind of Latin American consensus.

What such a consensus might mean in practice is almost impossible to say at present, but so far as one can make out from Argentine sources the best that anyone hopes for is that at least the situation in El Salvador can be stabilised by military means now that the elections are over. The Nicaraguan debacle, on the other hand, is regarded as a lost cause which can only be redeemed if Cuba and the United States can be induced to reach some *modus vivendi* which makes allowance for a left-wing Nicaraguan government.

The big questions are whether either Reagan or Castro are ready to do a deal of any kind, and if so what on earth it would consist of. The Argentinian notion seems to be that if Mexico, Brazil, Venezuela and Argentina (the "big boys" of the region) can bring their combined influence to bear on the parties, some pact on the lines of the *status quo* will emerge.

To the outsider it does not

look terribly plausible, but the whole calculation is another indication of the general realization that US power is not what it was, even in what was formerly considered the American sphere of influence. And as for the Europeans, this realization is accompanied in Latin America by a mixture of muted satisfaction and acute anxiety.

It is a time for hedging one's bets, and the Argentinians are hedging theirs. They are looking to the Russians and Americans with cynicism, and a dislike that varies in kind but not much in degree. They are looking to Europe again — with scepticism and anxiety about the future of the European Community. They are vying with the Third World for votes and contacts and above all their newly re-ordered relationship with Brazil.

This convoluted background is important for an understanding of the Falklands issue and how it is seen in Argentina. At the official level the Falklands are clearly regarded as a second-rate issue, and at most times it is not permitted to interrupt the regime's desire for European — including British — links. What is the point of quarrelling violently with one's best European contact over a matter on

which Argentina can afford to wait?

On the other hand, the sense of remoteness and alienation, the widespread desire to restore Argentina's pre-war status in Latin America — all these have created a strong popular sense of national pride whose external outlets (apart from right-wing military regime is not likely to be proof against the tug of these emotions, and a regime under political and economic pressure is not averse to a little naval diversion.

All this does not make Britain's task in dealing with the Falklands problem any easier in the short run. The Argentine claim is not going to disappear in the long run either. None the less, Argentina gives the impression of a country that has been very short of friendship and of international attention for some time. Certainly British governments have not given a great deal of either for a good many years. If further progress can be made on liberalizing the regime, broad strategic considerations suggest that a serious attempt to improve relations with this most interesting and dynamic country would be well worth the investment.

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## New prisons: how better can be worse

by Rod Morgan

By 1990 the population of Britain's prisons will probably have risen from last Friday's figure of 44,148 to more than 50,000. There are at the moment 7,000 more prisoners in the system than it is equipped to hold; by 1990 this excess population could be as high as 14,000.

The obvious administrative answer to this dilemma is a massive building programme, and this is what the Prison Department, with some success, has been pressing on the Treasury. Eight new prisons are already agreed and work has started on one at Wayland in Norfolk.

But the apparent logic of this response needs to be examined very carefully. First there is only the most tenuous connection between these new establishments and relief of the overcrowded and appalling conditions in local prisons which led to protests by the Governors of Wormwood Scrubs and Strangeways and the Inspectorate of Prisons in their report published yesterday.

It takes up to 10 years to plan, design, construct and commission a new closed prison. Wayland, on which site work has begun, will not be in use before 1985. Woolwich, on which the Prison Department would like to see work start in 1987, could not conceivably receive prisoners before 1991, by which time Mr McCarthy of Wormwood Scrubs will have retired, let alone resigned in disgust.

Even were all Prison Department's new building plans to come to fruition they would not by 1990 keep pace with the anticipated increase in the population. There would be the end of the decade be some 30-40 per cent more overcrowding than there is at present. Any politician who imagines that prison staff and prisoners will accept that position for the foreseeable future is living in a fool's paradise.

In fact, there is no possibility of 4,500 cells being added to the stock by 1990. Quite apart from the planning objections and public expenditure cuts which will inevitably delay or stop particular construction projects, further accommodation will be lost because, like Brixton last year, it falls down or, like Hull in 1976, it is torn down.

The Government has announced plans to spend some £360m on major reconstruction projects at over 60 establishments during the next 10 years. Included among the list of local prisons to be improved are Wormwood Scrubs and Strangeways. There can be little doubt that this programme does represent a significant increase in the proportion of the prisons budget devoted to major works on existing sites as opposed to new construction on new sites.

Should anyone feel reassured by what appears, on the face of it, to be a highly desirable shift in policy? The answer, regrettably, must be no, and for two reasons. First, the local prisons, on which a major part of the refurbishment budget is to be spent, are not squalid slums because they are outmoded Victorian prisons falling down. Clearly their facilities are far from adequate and need improvement. But the dreadful conditions in local prisons are primarily the consequence of the too intensive usage of those establishments. They are grossly overcrowded.

No increase in the refurbishment budget will, of itself, relieve that burden. In fact, unless there is either an overall decrease in the prison population, or redistribution of the population between

existing establishments, refurbishment programmes will necessarily increase overcrowding. You cannot improve cells while they remain occupied. Indeed, by definition, the more radical the improvements the greater the loss of accommodation.

Which leads me to a second criticism: the £360m does not allow for the provision of integral sanitation and given the Government's reluctance to reduce the prison population by direct intervention, for very good reasons. The provision of integral sanitation in most nineteenth century buildings would, according to Prison Department estimates, mean the loss of one in three cells.

If the prison population goes on rising, and in the current political climate the Department must, quite rightly, assume that it will, then no improvements involving loss of cells are practicable.

Home Office ministers are already attempting to disarm their critics — particularly those who favour a moratorium on new prisons — by quite misleadingly shifting order around, while the debate takes place. If you want integral sanitation at prisons like Wormwood Scrubs, their argument goes, do not oppose the construction of Full Sutton (a proposed maximum security prison) or Woolwich. You cannot have one without the other.

The choice is entirely false. In fact, unless the prison population is reduced, we will not get integral sanitation or better conditions in any of those prisons currently hard-pressed. We shall just get more prisons — and more, and more.

Prisoners know this. Prison staff know it. Mr Whitelaw has impressed most people concerned with prisons as a humane Home

Secretary sincerely pursuing an honourable liberal Tory tradition. His emphasis has been on compromise and exhortation. He has failed. It must now be borne in on him that his U-turn regarding the extension of parole is a price of irreparable folly, not least because everyone he served would dare to carry it through.

His change of heart can only lead to confrontation, staff refusing to accept new commitments and prisoners destroying their cells. Nor is it any use Mr Whitelaw referring to the recent decline in the number or length of sentences. Even with such a decline, the prison population remains higher than that predicted by the Department in their evidence to the May Committee in 1979. The lull represents no more than some cooling in the law and order climate stimulated by Conservative rhetoric on the 1979 hustings.

In Home Office corridors the talk is all of things having to get worse before the political will is summoned to make them better. Mr Whitelaw cannot speak the language of this corner. If the population is not reduced, in large numbers and now, then all of his capital expenditure programme is destined, probably quite literally, to go up in smoke.

The author is Senior Lecturer in Criminology at the University of Bath and co-author of *The Future of the Prison System*.

Henry Fairlie

## Is this the end of Democracy as Benn knows it?

Washington. By a series of expected but nonetheless dramatic decisions last Friday, the Democratic Party moved in exactly the opposite direction from that in which Mr Anthony Wedgwood Benn and his allies have led the Labour Party, and the differences between them are too important to ignore. The decisions taken by the Democrats at least have the intention of strengthening their chances of surviving and even winning.

With hardly any spoken dissent and only a few dissenting votes, the Democratic national committee, the governing body of the party, changed the rules which its Presidential candidate will in future be chosen. The intention of the changes is to reduce drastically the role of the party's rank and file and to increase significantly the influence of its responsible leaders.

After the Democratic national convention in 1968, when the party was bitterly divided on the issue of Vietnam between the bosses and the rank and file, it set up a commission under the chairmanship of Senator George McGovern. The reforms which were adopted

from that commission's report gave the rank and file an almost exclusive voice in choosing the candidate and writing the platform.

Senator McGovern, having rewritten the party's rules and so understanding them better than most people, then exploited them. He put himself forward as a Presidential candidate, captured enough delegates in the primaries and rank-and-file caucuses to win his party's nomination on the first ballot, and was then resoundingly defeated in the actual election. But one cunning man in Georgia had learned from that year.

Even before Senator McGovern had been defeated, Governor Jimmy Carter began his Presidential campaign. Exploiting the McGovern rules to the full, he laced down delegates after delegation of the rank and file, through the primaries and rank-and-file caucuses, until he also went to the 1980 convention with his nomination assured, but at least he then won.

He only just scraped ahead of Gerald Ford in the end, however, even though the whole post-Watergate atmosphere ought to have made his victory easy, and the absence

of real political support dogged him in office. He used his position as President to tighten the rules still further in his favour. But even so, he barely held off Senator Edward Kennedy's late challenge in 1980. He then, like McGovern before him, lost the election.

The party's responsible leaders both nationally and in the states decided that they had had enough of a nominating system in which the rank and file had the power to throw up relatively unknown candidates who then turned out to be losers as national leaders. Even when he succeeded in winning the Presidency, Jimmy Carter lacked the political base within his own party to govern effectively, and so threw away his party's chances to enjoy a second term.

So the party's leaders, acting through its national committee, set up another commission, this time under Governor James B. Hunt of North Carolina. It was the proposals of the Hunt commission which were adopted almost unanimously last Friday.

The new rules require that 14 per cent of the delegates to the national convention in

1984 shall be uncommitted to any candidate. This large uncommitted block of about 550 delegates will be in addition to the committed delegates who are selected in primaries or rank-and-file caucuses. It will consist of two-thirds of the Democratic members of the Senate and House, and of elected Democratic members of state legislatures and other state and local office holders.

This powerful block of party leaders, elected by the actual voters of the nation and not by the rank-and-file activists of the party, uncommitted in advance to any candidate, will at least have the capacity to defeat a candidate who has no real political following, other than that which money and the media can buy. The nominating process will again be strongly influenced if not determined by those politicians who must win the ordinary voters.

Another change requires strict enforcement of a new rule which limits the length of the primary and caucus season to 15 weeks, in contrast to 20 weeks in 1980.

The third important change ends the requirement that all candidates be given a percentage of delegates to the national convention in

proportion to the number of votes which they receive in the primaries or caucuses. Mr Carter would not have won the nomination in 1980 if he had not gained large numbers of delegates in the several industrial states where he was defeated in the primaries by Senator Kennedy.

These reforms are by no means foolproof. On the contrary, some Democrats have argued that they may well have consequences other than those that are intended, as reforms often do. But this is why the lack of opposition to the changes from within the party is important. Where there is so much agreement about what has been wrong, it is more likely that the new rules will be effectively used to put things right.

The unity shown in the Democratic national committee, which is drawn from the real party leaders across the country, is a mark of the Democrats' determination to recover their balance.

From here, one has noticed that Mr Wedgwood Benn and his allies, over the past few years, use arguments drawn from the American political system. Those arguments have been misleading, anyhow, based on a total misinterpretation of the system.

## Never in Britain, says a Nobel Prize winner

Elias Canetti, the winner of the 1981 Nobel Prize for literature, has banned the publication of his autobiography in Britain. Canetti, who was born in Bulgaria, brought up in Vienna, and who writes in German, now lives reclusively in Hampstead — having had a home in Britain since 1938 — and Zurich. Roger Straus, of his American publishers Farrar Straus Giroux, says: "All of all the countries in the world, Canetti does not want his autobiography published in Britain. He will not talk about it, but he does not want it, and that is final."

When he won the Nobel prize, Canetti was almost unknown in this country and his books unpublished here or difficult to obtain. Marion Boyars, who had published his strange and personal travel book *The Voices of Marrakesh* in 1978, complained that Canetti had been so completely neglected by the literary establishment that it had not been reviewed anywhere. There were heavy reissues of his philosophical study *Crowds and Power*. *Auto-da-Fé*, which Cape had published in a carefully supervised translation by Dame Veronica Wedgwood in 1946 but allowed to go out of print.

Admirers believe Canetti's two volumes of autobiography constitute "a remarkable document of our age" detailing a life gerotete

## Bad to verse

Spike Milligan, in exuberantly loony form to launch his new book *The 101 Best and Only Limericks of Spike Milligan* the other night, dashed off an extempore offering for his friend Michael Foot, leader of the Opposition. Here it is: "There was a place called Hillhead Voted by every Tom, Dick or Fred I'm glad to say I did not vote that way I'd rather be bloody well dead." The Sappy Dope Party, Spike explained afterwards, does not scan either.

## Major step

The policeman who brought Britain majority verdicts retires today. Sergeant Richard House, the head of Leicestershire police statistics branch, was the backroom boy who compiled the statistical data on which Sir Robert Mark, then chief constable of Leicester, was able to base his campaign for majority verdicts in jury trials. Faced with a Law Society view that the proportion of acquittals

## THE TIMES DIARY

The EEC is taking steps to stop German producers from using Italian wines, many of which are granulated sugar and even sulfonates to boost their production, will embarrass some of the biggest-selling brands in Britain. Blue Nun, Black Tower Crown and George & Sons' Chateau d'Yquem are among the brands which will be difficult to keep up supplies if the shippers are no longer allowed to mix in the wines of several German regions as has been their wont.

Monthly, for the new that under an ultimatum from Brussels the German federal government has decreed that henceforward all Liebfraumilch must come from one clearly stated wine-producing region.

was too small to justify a change, yet an acquittal rate of almost 40 per cent in cases of violent crime. Mark decided that a thorough review of the figures was required.

Using House's expertise, a local survey of acquittals in contested cases was followed by reviews in the Midlands and nationwide, providing the evidence which persuaded Roy Jenkins as Home Secretary to introduce majority verdicts in the Criminal Law Act of 1967. Without them Peter Sutcliffe, the Yorkshire Ripper, convicted on 13 counts by majorities of 10 to two, might have gone free.

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## THE TIMES DIARY

The edit, following revelations that some producers have been using Italian wines, many of which are granulated sugar and even sulfonates to boost their production, will embarrass some of the biggest-selling brands in Britain. Blue Nun, Black Tower Crown and George & Sons' Chateau d'Yquem are among the brands which will be difficult to keep up supplies if the shippers are no longer allowed to mix in the wines of several German regions as has been their wont.

Monthly, for the new that under an ultimatum from Brussels the German federal government has decreed that henceforward all Liebfraumilch must come from one clearly stated wine-producing region.

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P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

THE TIMES WEDNESDAY MARCH 31 1982

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## FORK IN THE ROAD TO UNITY

The publication of the final report of the Anglican-Roman Catholic International Commission (ARCIC) marks the end of one phase in the long process of reconciliation between the Anglican Communion and the Roman Catholic Church, but certainly not the end of that process itself. The commission's findings are those of a group of theologians, not of either Church as such. The participants on both sides have travelled together along a road where their respective mandating authorities will not automatically be prepared to follow them. If the results are to be of durable significance they will now have to be "sold" to opinion on both sides by an intensive campaign of explanation.

Even if and when they gain authoritative endorsement on both sides, the conclusions of the commission do not in themselves provide a blueprint for organic union between the two Churches, or even a sufficient basis for Rome to authorize reciprocal intercommunion. To do that would mean accepting the validity of the Eucharist as celebrated by an Anglican priest, and that in turn involves accepting the validity of Anglican orders. The work of the commission has certainly made such acceptance easier to envisage, by revealing

how much common ground there is, behind seemingly conflicting phraseology, in the theology both of the Eucharist and of the priesthood as understood by the two sides. But that cannot in itself unsay the awesome words of Pope Leo XIII, whose Bull *Apostolicae Curae* pronounced Anglican orders absolutely null and void. It is not surprising that both the Anglican and the Roman Catholic co-chairmen of the commission have said that the next major step towards union was for the Roman Catholic Church to reopen this question.

Before full union could be contemplated a number of other thorny issues would have to be tackled, some of which were enumerated by Dr Runcie at an ecumenical service in Westminster Abbey a year ago: such issues as contraception, the married clergy, the degree of freedom of local churches from Vatican Control, the authority of the various Vatican Congregations. To these may well be added the question of the ordination of women, which is already an accepted practice both in the free churches with which the Church of England is in the process of entering into a Covenant and in some parts of the Anglican Communion itself.

Anglicans for many centuries have found a positive virtue in espousing a *via media* between Rome on the one hand and full-blooded Protestantism on the other. One disadvantage of that position, when church unity on the agenda, is that Anglicanism feels itself pulled in two opposite directions. Rapprochement with one side can itself become an impediment to the same process with the other. Thus the sealing of that Covenant has been opposed by those who have misgivings about its effect on relations with Rome.

Yet such misgivings are probably misplaced, because the time scale of the two operations is so different. Progress towards mutual understanding between Rome and Canterbury is an immediate reality, and a very important one; but actual union between the two is surely a generation away at least. To be blunt, it is hard to envisage the problems enumerated by Dr Runcie being resolved in a way that Anglicans could accept within the pontificate of the present Pope. That should not, of course, prevent Anglicans from welcoming John Paul II with enthusiasm. But the time scale of rapprochement with Rome is such as to allow plenty of time for the fruits of the Covenant to ripen.

## LIMITS OF COMPULSORY TREATMENT

Parliament only finds time to legislate on the rights of the mentally ill every 20 years or so, so when a Bill is produced, it is worth going to some trouble to get the details right. The ideas behind the Mental Health (Amendment) Bill have been mulled over by successive governments and organizations concerned with mental health for at least seven years, and there is enough agreement by now for everybody to accept that in essentials it is a valuable measure. But even after the polishing it received in the House of Lords there are still points of disagreement, narrow but deep, which may not be easily resolved.

The Bill affects only those patients who are admitted to hospital or held there compulsorily. It is to the credit of our mental health services that nine out of every ten mental patients today are voluntary patients. They have the same rights as any other citizen to refuse treatment they do not like and discharge themselves from hospital. Detained patients have a legal right to appeal at intervals to tribunals of doctors and laymen if they think they are being held unfairly. But the law is not entirely clear as to whether detained patients, who may be incapable of making responsible decisions for themselves, have any formal claim to be regarded as competent to give or withhold consent to treatments that their doctors consider advisable.

When it comes to the point, doctors generally act on the assumption that consent is not required. The Bill will confirm that assumption, as a general rule with specified exceptions: it will be the first time that the law has specifically sanctioned the overruling of a competent person's wishes about what should be done to his own body.

The 1959 Act which the Bill would amend gave doctors in practice a wide discretion

over their patients, which was an improvement on the inflexible process of legal certification which had gone before, but which looks more questionable today, when the use of psychiatry in eastern Europe, and some scandals at home, have made us more sensitive about the civil rights of the mentally ill and handicapped. The Bill sets out to strengthen the safeguards, within the bounds of medical discretion and practicality. It will make access to tribunals easier and more frequent, and give effect to the recent decision of the Court of Human Rights censuring the Home Secretary's power to overrule tribunals' decisions, as well as creating a legal framework for resolving problems to do with consent.

In most of this, it carries general goodwill. But several points remain in dispute. Doctors and other medical staff have resisted attempts to remove the legal hurdles that virtually prevent detained patients from suing staff for assault or negligence. Their fears of vexatious litigation are understandable, but it is important that patients should not feel that the system is biased against them, and there is a case for adopting the slightly less forbidding hurdle of "prima facie case" instead of "substantial grounds" which has worked satisfactorily for 10 years in Northern Ireland.

The most important matter at stake is the problem of consent to treatment. The Government have already moved further towards the position of the patients' rights campaigners than many psychiatrists like, but are being pressed to go further still. When amended as promised, the Bill will divide treatments into three categories. The doctor will be able to act without the patient's consent in an emergency or to guarantee general nursing care. For treatment with drugs, surgery or electro-convulsive therapy

(ECT), the doctor may overrule a refusal of consent if a second psychiatrist (unconnected with the hospital and nominated by a commission which is to oversee the operation of the Act) agrees. But for a very few irreversible and hazardous treatments there will have to be a second opinion and the patient's consent, and a group of three assessors (one of them the psychiatrist giving the second opinion) will have to confirm that the patient is competent to give his consent.

There is concern among doctors that these procedures are too cumbersome, and that they impinge too far on the fiercely-protected area of medical discretion. Fears that a doctor may be unable to cope with a patient who is a danger to himself or others, or may find himself unable to treat an obstinately obstructive patient at all, probably underestimate the scope in practice of the emergency provisions and the likelihood that the second psychiatrist will apply reasonable criteria in assessing a patient's competence. He may have reservations about the precise treatment proposed, but it is unlikely that he and his colleague will be unable to agree on any treatment at all.

The proposed procedure for hazardous treatments involves no intrusion on the strict area of clinical discretion: assessing treatments is a matter only for doctors, but assessing competence is not. But those who would like to see these complex procedures applied to a much wider class of treatments underestimate the practical difficulties of doing so. There is real public concern about ECT, in particular. But it may not be easy to convince the standing committee that ECT in the category of "irreversible and hazardous" treatments, rather than by improving clinical procedures for its use.

## Saving Old Cairo

From Mr A. Kadny  
Sir, Referring to the letter published in *The Times* on February 18 under the headline "Saving Cairo's Old City", signed by Sir Harold Beeley and others, since my appointment as a chairman of the Egyptian Antiquities Organization last November immediate measures have been scheduled to face the tremendous challenge which the 500 monuments of Islamic Cairo represent.

Priorities were duly determined in the frame of a plan, ending by 1985, including the dismantling and re-erection of 24 monuments after isolating the threatening sub-surface water and the necessary archaeological and archaeological documentation. Scientific plans in this respect and research works are undertaken by competent consultants with close cooperation with Unesco, and already several monuments are under restoration.

Concerning Unesco's conference recommendations, concluded at Cairo in December, 1980, I would like to confirm that contacts were held with the Department of the Human Heritage in Unesco to put the above-mentioned recommendations into effect.

An Islamic Unesco expert, Dr J. Antonio, stayed in Cairo for more than two weeks to consult with us on the necessary steps which should be adopted. Consultations with the Governorate of Cairo and the local

authorities concerned, including the Unesco expert, were made to establish the Cairo conservation agency. A moratorium had already been issued for the application of the second item of the recommendations, and further studies are being undertaken by the permanent committee of the Egyptian Antiquities Organization to determine any factual and final modifications.

As for the use of reinforced concrete or cement, it is firmly confined to necessary and urgent cases and the utmost care is taken not to extend it to pure archaeological elements. The production of an alternative material is already taking place and should be in use very soon.

Yours faithfully,  
A. KADNY, Chairman,  
Egyptian Antiquities  
Organization,  
44 Fakhr Abdel Nour Street,  
Abbasiya.

## Rail to road

From Mr W. A. M. Barter  
Sir, The study of conversion of railways to roads as reported by you (March 24) leaves much unsaid, which casts doubt on the validity of its conclusions. Astonishingly, the actual cost of the conversion is not mentioned. The Department of Transport has recently turned down the completion of railway electrification to Cambridge since the rate of return, 18 per cent, is too modest. May we know the rate of return to be expected from this conversion?

A double-track railway has a width of about 20 feet, about the same as a suburban back street. Unless a very modest road is accepted, I cannot imagine that the cost of building a road will be reduced by the fact that a railway once ran on the route, following an alignment which would never have been chosen for a road, with heavy earthworks needed to reduce curves and gradients to suit vehicles, but all of which must be converted.

Note that the cost of 57 miles of motorway from Warwick to Oxford would cover about a third of the most expensive B.R.'s electrification programmes, enough for more than 2,000 miles of route.

The only system of road transport that shows any advantage over rail in land-use is one dedicated solely to public-service buses. Since this is also the only system that existing works would accommodate, references to juggernauts are irrelevant and, as both forms of transport are extremely safe, calculations of deaths saved are spurious.

If a conversion is feasible its best chance is with the generously built and lightly used Margate line, but no lightly used service will justify much investment of any sort. I am sure that any available money would be better spent on improving the existing railways.

Yours faithfully,  
W. A. M. BARTER,  
57 Ellingham Avenue,  
March,  
Cambridgeshire.  
March 24.

## On the logic of centrism

From Mr Jack Rendle

Sir, In your leading article of today (March 27) you state that the logic of centrism is either an intermediate series of coalitions, or else a one-party state. With respect, coalition of the centre and a series of the centre are the greatest public support in times of national crisis. Coalitions were formed in 1931 and 1940. Can we afford not to have one now — or do you believe that either Mrs Thatcher or Mr Foot is capable of uniting the country? In 1984 we may well see the Conservative centre join the Alliance.

Yours faithfully,  
JACK RENDLE,  
Mill Cottage,  
Colchester,  
March 27.

## From Lord Chelwood

Sir, Chris Patten (feature, March 27) is surely right to assess Tories that the SDP is a left-wing party and should not attract their votes. Bill Rodgers, probably the most right wing of the "Gang of Four", has confirmed that his party is "left of centre". In the same issue of *The Times* you report David Steel as saying that so far from the SDP pulling the Liberals to the right, if anything it is the other way round.

Thus it makes absolute sense for moderate socialists to join the SDP, leaving the Marxist rump to its extreme policies, but none at all for "moderate" Tories.

Yours sincerely (and a bit "welly"),

CHELWOOD,  
House of Lords,  
March 30.

## From the Director, Campaign for Electoral Reform

Sir, One source of solace for the thousands of people campaigning for electoral reform since 1974 has been the steadfast support of *The Times*. Parliament Square might seem, but Printing House Square was always staunch.

All the more shock to us to read your leader of March 27, which seems to indicate that you have changed sides in the debate on proportional representation. What can have happened? Has *The Times* been captured by the hand of first-past-the-post fanatics? Is a rescue party needed? I think we should know.

Yours faithfully,  
RICHARD HOLME,  
Director, Campaign for Electoral Reform,  
60 Chandos Place, WC2.  
March 29.

## Jury qualification

From Mr David Wolchover

Sir, The Home Secretary may or may not be right to argue that "juries should be representative of the law-abiding community" (Parliamentary Report, March 26). (Might not an accused with 10 previous convictions for theft and the like be asked to ask for a jury of burglars?) At the very least, however, the Government's view that disqualification from jury service must be widened to embrace anyone convicted of an imprisonable offence, or anyone who would seem to be a bad influence on the spirit and provisions of the Rehabilitation of Offenders Act 1974, notwithstanding the exemptions allowed by it.

Yours faithfully,  
DAVID WOLCHOVER,  
11 King's Bench Walk,  
Temple, EC4.  
March 26.

## Italian mail delays

From Mr Denis Mahon, FBA

Sir, Further to your correspondence concerning the Italian postal system (March 18, 20 and 25), the demerit of that service is that pure luck appears to play a large part in its functioning. For example, a clearly addressed express letter sent to me in London on March 17, with a Milan stamp cancellation mark, reached Athens (sic) on March 21, judging by postmark on the back of the envelope.

Having been redispached thence, according to a second Athens postmark of 11 am on March 22, it reached me in London by the first delivery on March 23.

Yours faithfully,  
DENIS MAHON,  
33 Cadogan Square, SW1.  
March 25.

## Trade restrictions

From the Reverend Francis McCarthy

Sir, The President of the Royal Academy of Arts calls (March 23) for the exclusion of advertisement-bearing taxis from Hyde Park.

Nearly 120 years ago the young Father Herbert Vaughan tried to save money by doing the shopping himself in his new Foreign Missionary College at Mill Hill. He used to drive a cart to avoid the expense of a carriage licence. Trying to take a short cut on shopping day he was stopped by a policeman and told that "carriages only" was the rule in the park.

Vaughan pleaded that his cart might be regarded as "a poor gentleman's carriage" and, thanks to his clerical appearance, had all but carried the tale when the policeman noticed the telltale board on the back of the cart bearing the words, "Herbert Vaughan, Mill Hill." The future Cardinal-Archbishop of Westminster was instantly ejected from the park.

Yours faithfully,  
FRANCIS MCCARTHY,  
St Joseph's College,  
Lawrence Street,  
Mill Hill, NW7.  
March 29.

## Loss of naval establishments

From Captain Stephen Roskill

FBA, RN

Sir, The Government's decision to slash the Royal Navy's surface fleet, despite the very evident unshakeable anxiety which it provoked in Parliament and in the country's maritime community, was bound to lead to parallel cuts in naval training establishments. But the announcement (March 24) about two of the most famous establishments, HMS *Exeter* and HMS *Vernon* at Portsmouth, originally the premier gunnery and torpedo schools but whose functions have changed and in some respects widened since the war, must have come as a severe shock to all who feel concern over the Government's policy.

Despite statements that these drastic steps have nothing to do with the adoption of the Trident missile, and the building of enormous nuclear submarines at vast cost to mount the missile, it is hard to believe that there is no connexion between the two aspects of defence policy — namely deterrent strategy and conventional defence. But there is another side to the substitution of missiles for men, namely, its effects on the national services other than those concerned directly with defence, such as the fire service, the police and the prison service.

I have often taken seminars or given lectures on training for leadership at the Fire Service Staff College, prison governors' conferences and so on, and I

## Football question

From Mr Derek Jewell

Sir, Your Football Correspondent, Stuart Jones, is emphatically right in his assessment (March 27) of "the crass stupidity of the overloaded and archaic league structure". He is not alone in his views.

Mr Keith Birkenhead, manager of Tottenham Hotspur, is advocating, totally rightly, I believe, that the premier division of English soccer should consist of far fewer clubs, so that our football at the highest level does not continue to be ruined by ludicrous fixture overloading.

What matters now is how the collective mind of the Football League can be changed by the Government or, better, by the league bears heavy indeed. I suspect that England's poor World Cup showing post-1966 is chiefly the league's fault. The insistence of these men, largely representing minor rather than major clubs, on perpetuating the same dreary, old league programme year after year, so that our leading players with bodies and appetites dulled by too much football, ill-prepared for taking on the cream of the world.

In America the college gridiron

## EEC elections

From Mr Philip Goldenberg

Sir, Your leader (March 13) on the proposal of the European Parliament for a uniform electoral procedure for the next round of European elections contains a number of fallacies, and the subsequent letter from the Marquess of Douro (March 17) compounded them, while adding a few of his own.

Firstly, the resolution of the European Parliament (which is a framework for domestic legislation) is not a definitive proposal, while aimed at a regional list system, is not actually incompatible with a modified form of single transferable vote.

Secondly, even on a regional list basis, it specifically permits member states to legislate for voter choice between candidates of the same party, thereby obviating your main (and correct) criticism of list systems in general ("favours the party organisations too much").

Thirdly, if the framework proposed by the European Parliament loses "the concept that an MEP has a responsibility towards a particular constituency" (your leader) and/or "removes the direct relationship between the voter and his personal representative in Strasbourg" (Lord Douro), then both of you are blissfully unaware that the additional member system (which Lord Douro explicitly advocates and you implicitly favour) would

## Council spending

From the Leader of Hampshire County Council

Sir, I was dismayed to read the article by David Walker on March 11 claim. He says: "In fact, treasurers have padded various items to give a margin... The money is hidden from the layman's sight. The reserve referred to is in fact our revenue contribution to capital expenditure which, in recent years, whatever the financial pressures may have been, the county council has never abandoned. If it had to be used to pay out excess inflation it would mean that we would have to borrow money to finance that capital."

Hardly a piece of padding tucked away from the layman's sight! The true position for Hampshire and many other authorities is that we have done our best to maintain existing services as far as possible and by doing so are spending right up to the levels accepted by Government.

If we had allowed for additional expenditure, then Government grant would drop £1 for every extra pound of expenditure.

Yours faithfully,  
MARTIN HASSECK,  
104 Holders Hill Road, NW4

## The real West Bank

From Mr Martin Hasseck

Sir, Without considering either the merits or, for that matter, the demerits of Christopher Walker's article (feature, March 23) I would like to take issue with his reference to Ariel Sharon: "...to what he describes as 'Judea and Samaria', as stated by my some sinister figment of the Israeli Defence Minister's imagination."

As far back as biblical times the land known in Britain as the West Bank has always been named Judea and Samaria. There is no political significance in the description, which is correctly used by all Israelis, whether hawks, doves, sparrows or pigeons.

Yours faithfully,  
MARTIN HASSECK,  
104 Holders Hill Road, NW4

## Churchillian view of European link

From Mr A. N. Duff

Sir, Mr Julian Amery (feature, March 25) may not have seen Sir Winston Churchill's memo to his Cabinet of November 29, 1951 (a Cabinet of November 29, 1951, a few days after the Maxwell-Fyfe speech). The PM said he had never contemplated "the United Kingdom joining the Schuman plan on the same terms as the Continental partners."

We should, however, have joined in all the discussions, and had we done so, a better plan would probably not only have emerged, but our own interests would have been watched at every stage.

Our attitude towards further economic developments on the Schuman lines resembles that which we adopt about the European Army. We help, we dedicate, we play a part, but we are not merged and do not forfeit our insular or Commonwealth-wide character.

I should resist any American pressure to treat Britain as on the same footing as the European states, none of whom have the advantages of the Channel and who were consequently conquered.

Succinct, reactionary and quite wonderful.

Yours faithfully,  
ANDREW DUFF,  
15 Mount Pleasant,  
Cambridge.  
March 25.

## The age of the cable

From Mr Martin Guinner

Sir, The Government's decision to support a cable information network is significant for many reasons but most of all because it recognises the new direction to our lives from the new communications technology. A technology that has given us the dream of man down the centuries, namely "Leisure". Yet leisure without work, like raw alcohol, is a killer.

More and more of us are going to work in our homes — dealing and trading — now that the micro processor and the semi-conductor have made it unnecessary to deploy the total labour force to sustain industry and agriculture. This needs to be recognised by all of us, not just by Government, if we are not to create a shambles even greater than that caused by previous industrial revolutions. Science and art do not walk hand in hand and science to-day is walking much, much faster. Yet communication is both an art and a science and it is the humanities who need to match up to the new era. Schools and universities should teach the social and economic effects of the new technology. Scientists and engineers, trapped within their own impoverished literature of abbreviations and symbols, bewildering even to the cognoscenti, cannot teach us.

We need to teach our managers the management of communications for if we lose control of this revolution we shall have lost control of the next half-century. Yours sincerely,  
MARTIN GUINNER,  
Ansty House,  
Ansty,  
near Salisbury,  
Wiltshire,  
March 23.

## The Stubbs appeal

From Mrs Stella A. Walker

Sir, In 1642 Sir Thomas Browne, in *Religio Medici*, wrote: "I can look for a whole day with delight upon a handsome picture, though it be but of a horse."

Today, for many of us, Stubbs' "Citracker" fulfils this role. The picture should remain in this country. Yours faithfully,  
STELLA A. WALKER,  
Watermill Farm,  
Warbleton,  
Heathfield,  
East Sussex.  
March 26.

## Surgeon's hungry allies

From Dr Neville Roussak

Sir, By a singular coincidence, as I read Mr Dencer's informative and amusing letter (March 23) his favourite film, *The African Queen*, is being shown on BBC2 and the redoubtable Hepburn is removing leeches from Bogey's torso. These must, indeed, be African leeches, but Mr Dencer will forgive me if I remind him that it is the green, or Hungarian leech, as stated in your original note, and the speckled, or German leech, which are the varieties of *Hirudo medicinalis*, according to Martindale's *Extra Pharmacopoeia*.

And *Hirudo* the leech, perched on his bottom and sucking away at the skin flap so artfully contrived by Mr Dencer, must be aware that he is injecting the anticoagulant hirudin rather than hyaluronidase, as stated by my surgical colleague. This latter substance is extracted from mammalian testes for therapeutic purposes and would be of no value to the leech as it is not an anticoagulant.

Yours faithfully,  
NEVILLE ROUSSAK,  
71, Palatine Road,  
Manchester.  
March 24.

## A goodly usage

From Miss Pamela Braley-Smith

Sir, Old linen napkins, recommended by Philip Howard for packing clothing (March 27), are not very easy to come by these days. I have always found by the *Times* is excellent for this purpose, providing the required resilience and ensuring that the clothes, when unpacked, have no creases.

As Edmund Spenser said: "O goodly usage of those antique Times..."

Yours truly,  
PAMELA BRALEY-SMITH,  
12 Church Lane,  
Killingbury,  
Northamptonshire.  
March 27.





## COURT AND SOCIAL

### COURT CIRCULAR

**WINDSOR CASTLE**  
March 30: The Queen was represented by the Earl of Avon (Lord in Waiting) at the Memorial Service for the Viscount Blakenham (former Cabinet Minister) which was held at St Margaret's, Westminster today.

**BUCKINGHAM PALACE**  
March 30: The Prince and Princess of Wales this morning opened the new building of St Gemma's Hospice, Harrogate Road, Leeds.

Their Royal Highnesses travelled in the Royal Train.

The Prince of Wales then travelled in an aircraft of the Queen's Flight to York where His Royal Highness, as Joint Patron, opened the "Vikings in England" exhibition at the Yorkshire Museum.

Major John Winter and Mrs George West were in attendance.

**KENSINGTON PALACE**  
March 30: Princess Alice, Duchess of Gloucester as Colonel-in-Chief, visited The Royal Corps of Transport at Bulwer Barracks, Aldershot, today.

Miss Jane Egerton-Warburton was in attendance.

**YORK HOUSE, ST JAMES'S PALACE**  
March 30: The Duke of Kent today visited the Metropolitan Police Driving School at the Peel Centre, Hendon, and later, as Patron of the Leukemia Research Fund, attended a Charity Greyhound Race Meeting at the White City Stadium.

Captain John Stewart was in attendance.

The Duchess of Kent will attend a meeting in support of the St Marylebone Parish Church appeal on April 19 in the Duke's Hall of the Royal Academy of Music, not on April 9 as announced yesterday.

A memorial service for Sir David O. Q. MP, will be held today at St Margaret's, Westminster, at noon.

A memorial concert was given in memory of Dr T. W. Taylor, headmaster 1946-73, at the Haverdusters' Aske's School, Epsom, yesterday.

The Council of Malvern College has appointed Mr Roy Chapman as headmaster from January, 1983.

### Forthcoming marriages

Mr D. B. L. Campbell and Miss K. V. Nash

The engagement is announced between Bruce, son of Mr and Mrs D. L. Campbell of Bognor Regis, Sussex, and Kristine, elder daughter of Major and Mrs L. H. Nash of Woodruff, Kingsley Green, Haslemere, Surrey.

Mr D. M. Allen and Miss C. Pollazzon

The marriage between Dominic Mark, elder son of Mr and Mrs T. Allen, of Cirencester and Gloucestershire, and Christine, elder daughter of the late Mr Robert Pollazzon and Mrs Pollazzon, of Ivy St Seine, will take place in Paris on April 24.

Mr P. G. Freeman and Miss T. Bromley-Martin

The engagement is announced between Peter, younger son of Mr and Mrs D. J. Freeman, of Hyde Park Gardens, London, and Tina, younger daughter of the late Mr P. D. Bromley-Martin and Mrs P. D. Bromley-Martin, of Cope Place, Kensington, London.

Mr P. W. Holt and Miss K. C. Irving

The engagement is announced between Paul, son of Mr and Mrs W. Holt of Ewell, Surrey, and Kathryn Clare, elder daughter of Mr and Mrs D. L. Irving, of Moorooduc, Victoria, Australia.

Mr A. Pigott and Miss N. Fuller

The engagement is announced between Anthony, son of Mr and Mrs T. A. M. Pigott, of Groombridge, Sussex, and Nicola, daughter of Mr and Mrs R. H. C. Fuller, of Seaford, Sussex.

Mr B. Ramsay and Miss C. McLean

The engagement is announced between Bernard, only son of Mr and Mrs B. Ramsay, of Norton-on-Tees, Cleveland, and Carol, elder daughter of Mr and Mrs Robert McLean, of Greenock, Strathclyde.

**Reception**  
HM Government  
Mr Humphrey Atkins, Lord Privy Seal, was host yesterday at a reception given at 1 Carlton Gardens in honour of members of the European Parliament and Foreign Affairs Parliament Joint Committee.

### Luncheons

**Fuelers' Company**  
The Lord Mayor, Sir Christopher Leaver, and the Lady Mayoress, the Sheriffs and aldermen were among the guests at a luncheon given by the Fuelers' Company of London at the Mansion House on Monday, March 29. The speakers were the Lord Mayor, the Master, Mr Charles S. G. Stephenson, Mr Geoffrey Partie, Parliamentary Under-Secretary of State for Defence Procurement, and other guests of honour and others present included: The High Commissioner for Zambia and other members of the Diplomatic Corps, Mr R. Williams, and Mr L. F. Luckin.

### Dinners

**Anglo-Israel Association**  
The annual dinner of the Anglo-Israel Association was held at the Savoy Hotel last night. Baroness Elliot of Harwood was in the chair and the guest speakers were Mr David Steel, MP, and Ambassador Max Kampelman.

### Marriages

Mr W. E. H. Joll and the Hon K. M. Howard

The marriage took place yesterday at Lambeth Register Office between Mr William Evelyn Hinton Joll, son of Mr and Mrs Evelyn Joll of Felham Place, London, and the Hon Katherine Mary Howard, second daughter of Lord Stansbury and Mount Royal, of London, and Lady Jane Howard, of Chesham Mead.

### Latest wills

Latest estates include (net, before tax paid): Hunter, Dr Richard Alfred, of Epsom, Hertfordshire, medical historian and author, died March 23, 1982, at his home, 10, Epsom Road, Epsom, Surrey. His estate, including his wife's, was valued at £1,053,992. Executors: Mr and Mrs J. A. Morgan, and Mr Clifford E. Adams as Wardens.

### Church news

**Appointments**  
Dr D. B. L. Campbell, Rector of St Clement, London, died March 23, 1982, at his home, 10, Epsom Road, Epsom, Surrey. His estate, including his wife's, was valued at £1,053,992. Executors: Mr and Mrs J. A. Morgan, and Mr Clifford E. Adams as Wardens.

### Television help for teenagers

By Kenneth Gosling

A new series of television programmes designed to help young people to cope with difficult situations is to begin next month in the London area.

The seven late-night programmes, produced by Thames Television, start on April 27 and will be presented by Anna Ford, former lecturer, journalist and co-presenter of News at Ten.

She said yesterday that problems ranging from relationship difficulties to unemployment would be faced "fairly and squarely—a good adult approach which teenagers will be treated like proper human beings."

The series, *Crying Out Loud*, will offer information and advice in the studio and there will be a follow-up service. Local education and youth organisations will be involved.

Miss Ford said the education system "neither educates nor fits people for the kind of life they have to lead." She added that she intended to pull no punches: she would put tough questions to both sides. "I refuse to wear a martyr-board; this is not adult talking; children how to do things."

### Legal

Mr James Fox-Andrews, QC, to be leader of the Western Circuit in succession to Lord Rawlinson of Ewell.



The Princess of Wales yesterday where, while visiting St Gemma's Hospice, she disclosed that her baby is expected to be born on July 1, her birthday. The Prince of Wales, who accompanied the princess, later opened The Vikings in England exhibition in York.

### Memorial services

**Viscount Blakenham**  
The Queen was represented by the Earl of Avon at a memorial service for Viscount Blakenham (former Cabinet Minister) which was held at St Margaret's, Westminster, today.

### Birthdays today

Mr John Fowles, the author, who is 56

Mr Robert Cockburn, 73; Viscount Furness, 53; Mr Pat Lowry, 62; Mr D. J. Rees, 69; the Very Rev Dr G. T. H. Reid, 72; Professor Dame Sheila Sherlock, 64; Canon Charles H. Smith, 74; Mr David Steel, MP, 51; Lord Trevelyan, 61; Professor Sir Frederick Mott, 72; Sir Sydney Weighell, 60; the Earl of Westmorland, 58

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## Fine floral displays at show

By Our Horticulture Correspondent

The Royal Horticultural Society's flower show including garden equipment and competitions on dahlias, roses and magnolias and ornamental plants, fills the New Hall at Westminster.

Although no gold medals have been awarded, there are many interesting exhibits displaying a variety of plants. An expert on flowers, some fine spring flowers, particularly tulips, are on display. In addition, collections of gaultherias, primulas, ivy, dwarf shrubs from New Zealand, herbs, borage, cacti, grey foliage plants and sempervivums give visitors plenty to admire.

The entries in the competitive classes for magnolias and ornamental plants contain some magnificent specimens. Blooms of various shades of pink, red, white and yellow, and the National Trust of Nymans Gardens, Handcross, are to be congratulated on the quality of the plants shown in seven out of eight classes staged.

Their vase of *Rhododendron macbatianum*, yellow, in the class for one species, is eye-catching. Equally of high quality are three distinct magnolias in bloom, namely *Magnolia 'Michael Rose'*, *M. sargentana*, *'Robusta'* and *M. sprengeri elongata*, carrying white.

The daffodil competitive classes did not contain many entries as expected after a week of warmer weather and a number of exhibitors stated they were growing their plants to be in full bloom for the next competition in a fortnight's time. Nevertheless, there are some very fine specimens on show.

Mr J. W. Blanchard, of Shillingstone, Dorset, won several classes, including the open class for a collection of 12 varieties representing not fewer than three divisions; for this excellent display of named varieties and seedlings he was awarded the Devonshire Trophy. He also won the classes for three species of miniature narcissi, and the amateur's class for three divisions.

Mr Hylda Oxley, of Colchester, also won first prizes, including the open class for a collection of 12 varieties representing not fewer than three divisions.

Mr J. A. McMullen, of Penryn, Cornwall, won the open class for a collection of 12 varieties representing not fewer than three divisions.

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## OBITUARY

### PROFESSOR WALTER HALLSTEIN

Tireless worker for a united Europe



Professor Walter Hallstein, who died on March 29 at the age of 80, was president of the European Economic Community from the Common Market's inception in January 1958 until June 1967. Although quiet and retiring in his private life, he was eminent for many years in German university circles and won a public reputation for himself in the postwar years as a tireless worker for the cause of united Europe, a task for which his exceptional talents as jurist, diplomat and linguist had singularly fitted him.

Walter Hallstein was born on November 17, 1901, in Mainz, and studied law and economics at the universities of Bonn, Munich and Berlin. He gained his doctorate of laws at the latter university in 1925 with a thesis on the Versailles Peace Treaty, and subsequently became, as Professor and Referent at the Kaiser Wilhelm Institute for Foreign and International Law in Berlin. In 1929 he became Privatdozent or lecturer in the Berlin Law Faculty and in 1930, at the early age of 28, he was appointed full professor of civil, commercial and economic law of Rostock university, a post he held until he was named to the chair of law at the university of Frankfurt-on-Main in 1941. A year later he became a lieutenant in the German army, and in 1944 was captured by the Americans at Cherbourg and interned in Mississippi.

There he taught law to his fellow prisoners; the perfecting of his English and his development of such amicable relations with his captors that he was the first German scholar to be invited to the United States as guest lecturer after the war, when he taught foreign policy and law at Georgetown University during the year 1948-49. Meanwhile in 1946 he had been elected Rector of the university of Frankfurt. He first entered the international political scene when Chancellor Adenauer met him at the 1948 Hague Congress of the European Movement and later called him to the reformed German Foreign Office, where he was Secretary of State from 1951 to 1958. During these years he gave his name to, although he did not initiate, the so-called Hallstein Doctrine which stated that the German Federal Republic would sever diplomatic relations with any country except the USSR that recognized communist East Germany.

Hallstein also played an important part in Germany's efforts to establish good relations with France. He negotiated the Franco-German agreement on settling the Saar question. He led the German delegation to the Schuman plan talks, which from 1952 successfully pooled the coal and steel resources of France, Germany, Benelux and Italy in the new supranational organization of the European Coal and Steel Community. He again represented Germany at the Messina conference of June 1955, the further move towards European integration whose outcome was the creation in 1957 of the European Economic Community.

From the EEC's beginning Hallstein was invited to preside over its executive Commission. As president, he

successfully created the *plan* and the apparatus for Western Europe's most ambitious move towards economic unity. His capacity for cool analysis (he himself used to say that when a jurist came into the room, the temperature dropped several degrees) plus his warm dedication to the ideal of European integration made him well suited to lead the new EEC bureaucracy, whose commission he used to describe as "a motor, a watchdog and an honest broker for the countries of united Europe."

He believed in the importance of preserving the unity of the organization against any attempt to dilute it from outside or from within. In 1957 he did not disguise his lack of warmth for the free trade area which Britain proposed to form round the Common Market before it was even in being. Hallstein feared that the EEC would dissolve within the larger organization "like a lump of sugar in a cup of coffee."

From within, the project seemed to be threatened only four months after its inception by the return to power of General de Gaulle. But the French president soon saw the new organization as an opportunity for France to play the role of leader, though he never disguised his dislike of the Commission, which he saw as a mere "band of technocrats." The Commission's technical competence shone during the long negotiations that followed Britain's first application to join the EEC in July 1961, but Hallstein and his team were criticized for being more concerned to preserve unity among the Six than to secure Great Britain's admission as an equal member.

However, the unity within the Six was deeply disturbed after General de Gaulle's veto of January 1963 and for months Common Market work was at a standstill. During this time Hallstein told the European Parliament in Strasbourg that the Commission believed the chances of resolving the technical difficulties over Britain's entry were great enough to justify completing the negotiations.

Once freed from the Algerian war General de Gaulle turned closer attention to the Brussels Commission. He showed displeasure at marks of distinction shown to Hallstein during a 1962 visit to Washington and on a visit to India early in 1963. Such incidents, however, did not deter Hallstein, who deeply believed in the high status of his office, though he personally was a most modest man. Matters came to a head when Hallstein perhaps recklessly put forward proposals for French acquiescence in strengthening Community institutions in return

for chiefly financial satisfactions on agricultural policy. In protest, France withdrew from most common market activities for seven months, only returning to her empty chair in January 1966 when a compromise was patched up at the expense of the Commission and especially that of its president.

In his quiet way Hallstein insulated the principle of supranationality that was at the heart of General de Gaulle. Observers long wondered how long Hallstein could survive in office, and when the common market Commission was fused with the Commission of Euratom and with the High Authority of the European Coal and Steel Community in July 1967, it was clear that France would not accept Hallstein as head of the new single Commission.

Hallstein chose that occasion to tender his resignation, and in June 1967 severed his connection with the organization which he had served for almost ten years. In his farewell address he re-emphasised his belief in the full political union of Europe. During a visit to London in 1973 he said that in his view the Commission was never the same again and neither were the Council of Ministers. "The historic quality of the General is absolutely undeniable," he said. "He changed the conditions under which the Community works."

In 1969 Hallstein won a seat on the Bundestag as a Christian Democrat member for Newwied Altenskirchen; but he had little talent either for the hustings or for parliamentary oratory and did not seek renewal of his mandate at subsequent elections. Instead he worked on the English edition of his book, *Die Unvollendete Bundesstaat*, which had first been issued in German in 1969 and appeared in London and New York as *Europe in the Making* in 1973. In it he argued with reason for the case for a united federal Europe, which he believed was always at the heart of the Rome Treaty.

He had previously published several works, including notably *Wissenschaft und Politik*, 1949, *Der Schuman Plan*, 1951, and *United Europe, Challenge and Opportunity* published at Cambridge, Massachusetts, in 1962.

Off duty Hallstein's apparent coldness revealed itself as the shyness of a somewhat lonely bachelor, except when he was in the company of his few lifelong friends — among them his former teacher and steadfast ally Martin Wolff, who settled in Oxford in 1933 and was a Fellow of All Souls until his death 20 years later. He had few other links with Britain, although he greatly esteemed Mr Edward Heath, who like himself had the honour of receiving the Charlemagne prize of the city of Aachen for outstanding efforts on behalf of European unity.

Hallstein was also made an honorary doctor of laws of Georgetown University. His many decorations included the Grand Cross of the Crown of Belgium, the Grand Cross of Merit of Italy, the Grand Cross of the Polar Star of Sweden and the Great Federal Service Cross with Star and Ribbon of the German Federal Republic.

From 1968 to 1974 Professor Hallstein was President of the European Movement.

### HERR CARL ORFF



substantial use: this was *Carmina Burana* (1937), settings of thirteenth-century secular poems from Benediktbeuren in Lower Bavaria. Ingeniously simple, the work was an immediate success in 1937, and despite a good deal of hostility for what has been seen as a crude mock-primitivism, it has retained a wide appeal.

In 1939 Orff produced his first opera, *Der Mond*; this was followed in 1943 with the very successful *Die Kluge*, in which to the manner of *Carmina Burana* are added stronger lyrical episodes and richer orchestration. With *Antigon* (1933), he completely revised in 1943 he attempted with moderate success to repeat the effect of *Carmina Burana*; but for *Die Bernauerin* (1947) he turned to opera on the largest scale, using both actors and singers.

Two years later he produced, for the Salzburg Festival, an operatic treatment of Sophocles' *Antigone*. Using Holderlin's translation, Orff here tried once more to go back to the earliest principles of opera and even of the classical theatre which the founding fathers of opera had invoked; this he did by the use of a classical subject, by the conspicuous place given to

dance, by the use of recitative rather than formal arias, by the role of instruments as support for the voice rather than independent comment.

There is at the same time a multi-layered vision of an ancient simplicity as Orff seems to view antiquity through the eyes of Hölderlin and also those of the 16th-century Florentine founders of opera. A similar enterprise







~~§ Forward bargains are permitted on two previous days.~~

[illegible]



# QATAR

**Qatar, no larger than Yorkshire but with a much lower population, is among the smallest Opec oil producers but has enormous reserves of natural gas. Geoffrey Weston takes stock of its prosperity and prospects and, in a second article, examines the role of the Ruler, Shaikh Khalifa bin Hamad al-Thani, in the peoples' rise to a place among the richest in the world.**

## Basking in a golden age

My driver abandoned his gleaming new Chevrolet in Doha for a Toyota four-wheel-drive truck to take me to Ras Laffan—a remote headland some 45 miles to the north and then eight miles' bumpy ride over the sand. The only signs of life were a few curlew running along the water's edge below an empty coastguard station and a rusting navigation beacon.

The driver's interest lay solely in gathering useful floats from the beach. Ras Laffan is the cause of corn oil from a recent wreck, coils of rope and planks of wood for his second garage. Thrift dies hard in a country still barely accustomed to its wealth.

For officials in Doha, however, Ras Laffan is the nearest point on the coast to the world's second largest gas deposit, the North Field, which could spawn a new town and industrial centre, as well as ensuring economic stability long after the oil has run out on a scale that could be the envy of other Gulf states.

To a casual observer Qatar may appear a swollen thumb on a map of the Gulf—a peninsula of sand with plenty of oil and few people, a mere appendage to the vast Saudi Arabian hinterland. For many years its comparatively good grazing attracted bedouin from central Arabia, whose strict Wahabi approach to Islam still prevails there, as in no other Gulf state, but Qatar remains a gentle, relaxed place compared with its giant neighbour.

To Shaikh Khalifa bin Hamad al-Thani, who has led the Qataris with a rare sense of vision from poverty to unimaginable wealth in the last 20 years, the importance of establishing a sound economic base and a sense of national identity has been clear, particularly since independence in 1971.

The early decision to invest in an industrial base at Umm Said, south of Doha, has attracted Saudis anxious to apply the lessons of this success story to their own massive but far from complete industrial base at Jubail. Industrial expansion has been the means to stem the wasteful flaring of natural gas associated with oil drilling. Though it has so far been unaffected by the fall in the demand for oil, it has focused attention on the North Field as soon as possible, and a decision on its future is believed to be imminent.

While oil should last at least 35 years, the full extent of the North Field has yet to be established. Shaikh Rashid bin Hamad al-Thani, who is in charge of the North Field plans, is confident it will provide Qatar with energy for 200 years, or at least 100 years allowing for exports.

The economic growth it is expected to generate would be the first to check the drift to Doha, the capital and home for at least 80 per cent of the population, which is probably no more than 220,000. Like the other rich but sparsely populated states of the Gulf, Qatar has a large but uncounted expatriate force to help it to run its affairs.

Establishing Qatari nationality is as precious as being a Roman citizen in ancient times. It brings with it the right to a house, land, a generous loan for a car (which can then be leased back to the government) and a government job, which is rarely arduous and can be a sinecure, with a tax-free income of at least 3,000 rials a month and free electricity and water.

Some leading members of Qatar society have been accused of unreasonable extravagance, although it is probably no more than could be expected from a society

that has suddenly unearthed its crock of gold. The temptation to spend on prestige projects and in self-enrichment has been resisted noticeably more than in other Gulf states, particularly by Shaikh Khalifa, who has won a reputation for being hard-working and unostentatious.

Though development plans have given priority to infrastructure and social services, spectacular buildings in recent times, all of them arguable contributions to the national identity.

A more surprising early project was the National Museum, a conversion carried out by the British consultants Mitchell Rice and Company. It has won international renown, but more important, it captures brilliantly for the visitors and locals who pack it every weekend a previously unexpressed sense of national heritage.

It is housed in a former royal palace, in which the present Ruler lived as a child, and is a source of such pride that when a group of locals recently found some old coins in the desert they immediately donated them to the museum and reported that one man had kept some for himself.

Shaikh Khalifa is reported to consider the new university the country's principal asset. It is due to open next year in a complex of honeycomb design, although it has been functioning as an institution for four years. Some of the most striking projects were opened on February 22, the anniversary of the ruler's accession, and included a hospital, the National Theatre and the Sheraton Hotel.

The \$150m hotel, owned by the government and built to hold major international meetings as much as a commercial enterprise, is a

remarkable piece of architecture—a three-sided zigzag dominating the capital's skyline and certainly one of the most luxurious hotels in the Middle East.

The Qataris have good reasons to spell out their independence. Their resources are small by comparison with Saudi Arabia, whose foreign policies they traditionally support, yet it would be all too easy for their little country to be overrun in a Middle Eastern cataclysm. The Iran-Iraq War, the Russian invasion of Afghanistan, United States obsession with the oil resources of the Gulf and the Palestinian problem are just some of the causes of anxiety.

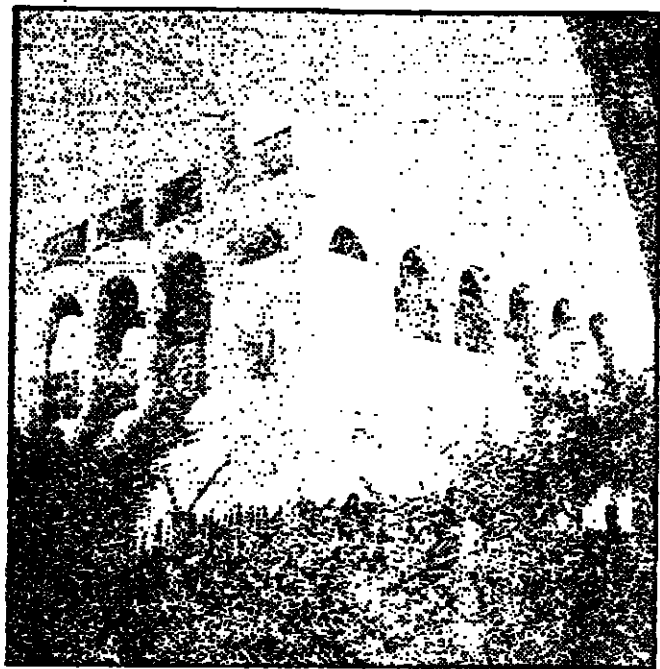
The attempted Shia-inspired coup in Bahrain last December was the most recent and closest to the Qatari doorstep. Relations with Bahrain are the only ones fraught with tension, largely because of a British attempt to quell trouble between the two sides in the 1930s.

On the advice of the British Political Resident, the British Government suggested that Bahrain should claim the uninhabited Hawar Islands, 17 miles to the east of Bahrain, but effectively joined to the coast of Qatar—a point that Shaikh Khalifa is reported to have hampered home by wading out to the islands at low tide.

The arrangement was made before serious consideration was given to offshore mineral rights, although the islands appear to have no hydrocarbon resources. Nevertheless they lie close to Qatar's oil fields and are clearly a matter of national pride.

Bahrain's right to the islands appears to be extremely tenuous although it keeps soldiers there.

A more recent flare-up over the issue resulted in intercession by Saudi Arabia



Emphasis on cultural and historical identity has instilled in Qataris a sense of patriotism rare among Gulf states. The National Museum is a great attraction at weekends and, below, visiting Lebanese players in the first production at the National Theatre, opened last month.



through the Gulf Cooperation Council, of which all three are members and of which Qatar is an enthusiastic supporter. As a result, the belligerents have agreed not to give further publicity to their dispute in the hope that some progress can be made towards a solution.

The al-Thanis are related to the al-Khalifa dynasty of Bahrain, which used to occupy the north of Qatar, but generations of antagonism between the two families have reduced the affair to a relatively cosy ritual com-

pared with other Middle East conflicts, such as in Lebanon and Cyprus.

Life in Qatar 20 years ago was harsh and at best uncomfortable. Prospects in 20 years' time are subject to too many uncertainties to look forward to with confidence. For the moment Qataris are basking in what many must regard as a golden age. As one old man in Doha put it succinctly: "God decided it was our turn."

Geoffrey Weston

## Conservationist and pioneer

A Lebanese who visited Doha in 1971 took a taxi from the tiny airport to the only hotel and then asked the driver where the town was. "You have just come through it," was the reply. Qatar was on the threshold of independence and the most far-reaching changes in its history. Even though oil revenues have provided the means, the pace and nature of this transformation have, to an exceptional degree, been shaped by the present Ruler, Shaikh Khalifa bin Hamad al-Thani, who celebrated the tenth anniversary of his accession last month, but has effectively run the country since 1960.

When Khalifa was born, in 1932, Doha was a desperately poor community of old and mud houses, divided by narrow alleys, without electricity, running water or paved roads. There was neither a port nor airport, and ships were forced to unload into lighters three to four miles off shore. The population took to their boats to fish, dive for pearls or just to escape the searing heat of the summer months. There were no other significant occupations.

Khalifa remembers only too well the collapse of the pearling industry after the arrival of the Japanese cultured pearl and the boats being burnt, in desperation, for fuel. More important, he never forgets the disastrous consequences of relying on a single resource, and after coming to power was determined not to repeat the mistake.

Although the first oil was discovered in 1935, it did not start to flow until 1939, and the war postponed further progress for a decade. Meanwhile Khalifa's brightness and alertness had marked him out, according to Qatari tradition, as the favoured son of the family. Both his grandfather and his father saw him as a future ruler, although his education was a traditional Islamic one and he did not attend school.

When his father died in 1949, he was too young to take over and his uncle Ali bin Abdullah al-Thani, was made Ruler, with Khalifa as

Crown Prince. In 1960 Shaikh Ali tried to step down in favour of his own son Ahmad. A compromise was reached whereby Ahmad became Ruler and Khalifa Deputy Ruler and Prime Minister with full executive powers.

He quickly grasped the need for change, introducing modern forms of education and becoming the first Minister of Finance. By nature he is cautious and will never be rushed into anything. Some observers see his office as one huge planning operation.

Shaikh Ahmad was content to leave the running of the country to his cousin and spent much of his time abroad. Britain's withdrawal from the Gulf in 1971 proved the most testing time for Khalifa. He was a prime mover in the efforts to form a federation of Gulf states and wanted both Bahrain and Qatar to join what was to become the United Arab Emirates. He was even elected chairman of a provisional federal council embracing nine states, but protracted wrangles prevented agreement, and so Qatar and Bahrain decided to go their own ways.

The disappointment did not deter Khalifa from advocating an economic agreement based loosely on the European Economic Community—an idea that finally found fruition in the Gulf Cooperation Council formed last May between the six monarchies of the Gulf.

Shaikh Ahmad was on holiday in Switzerland when independence was declared in September 1971 and declined to return home for the formalities. Meanwhile his son Abdul, who had a reputation for being irresponsible and for abusing his status, was attempting to increase his own power and persuade his father to make him Crown Prince.

Khalifa watched events closely for some months, and on February 22, 1972, seeing that for the second time he was in danger of being usurped, he assumed the powers of Ruler in a bloodless coup. He immediately abolished the Ruler's office

continued on page III



## Who's Who in the Middle East?

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# Energy problems delay benefits of North Field

The non-associated gas deposits of Qatar's North Field, previously known as the North-West Dome, were discovered in 1971. They lie about 45 miles off Ras Laffan in the north-east of the Qatar peninsula. The full extent of the field is not yet known, but conservative estimates of proven reserves range from 100 trillion to 120 trillion cubic feet; probable reserves are estimated at 300 trillion. It is said to be the world's largest single concentration of non-associated gas reserves.

There is, however, a possibility of the gas field extending on shore, which could lower the cost of its development considerably. Qatar would like the domestic gas by the end of the decade. Its industrial base is designed on a production of 70,000 bpd but production is currently about half of that and industries at Umm Said are running below capacity.

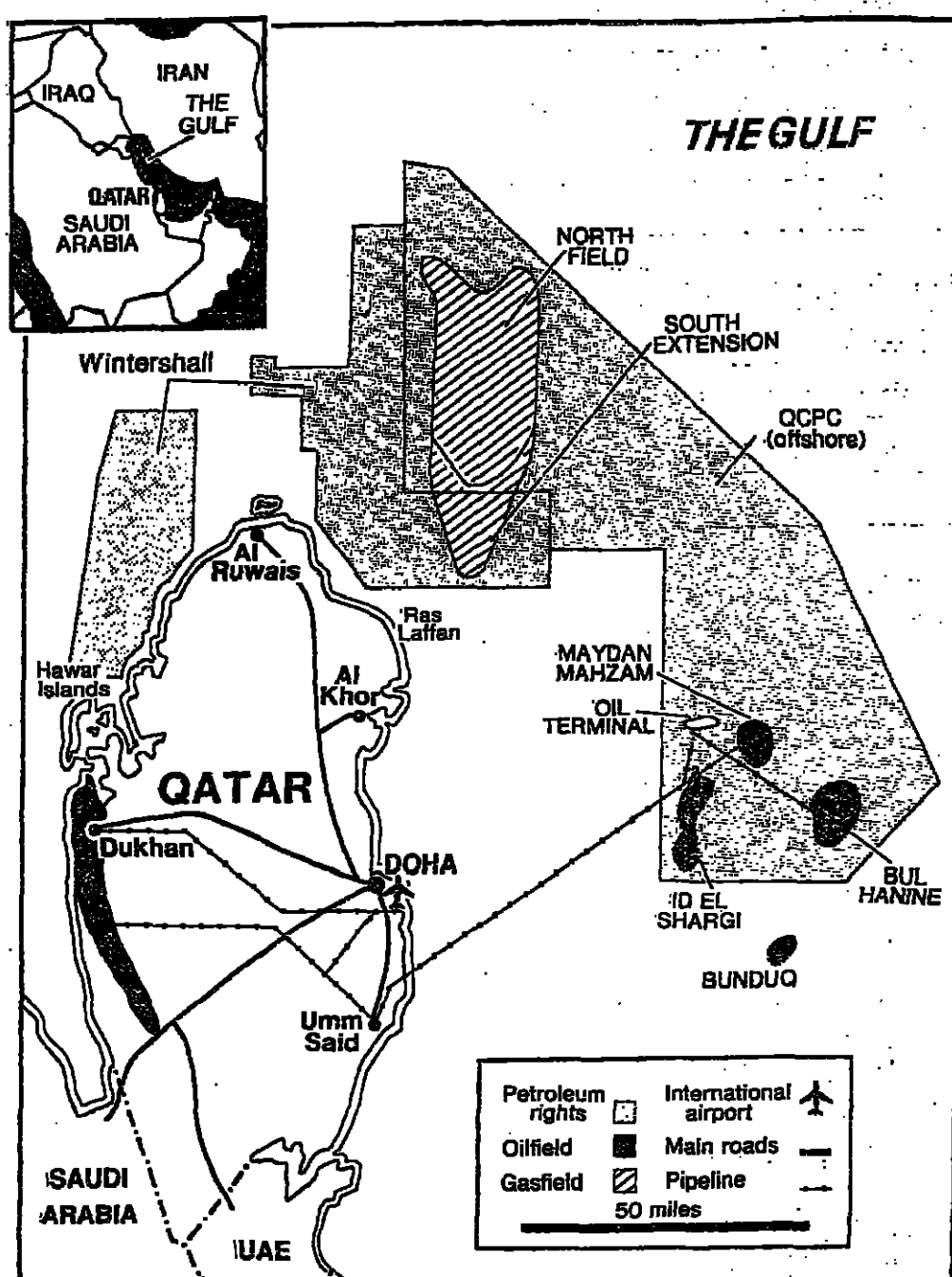
The project would include construction of offshore production platforms and trunk pipelines, a harbour, gas liquids recovery facilities and an LNG plant. There would also be pipelines taking natural gas liquids down the coast to the industrial zone of Umm Said, and a fleet of up to 10 LNG tankers, with a probable capacity of 130,000 cubic metres each of LNG. The estimated total cost is now about \$5,500m, but this is already up from the original \$4m and further rises are inevitable. If a decision to go ahead were taken this year it could be in production by 1990.

The North Field has had tremendous publicity — over-exposure, some would say, reflecting a scepticism which has set in coincidentally with the present gloom over fuel prices and the unforeseeable future. The Qataris are keen to develop — with reservations about the social implications of the foreign immigration which the project would necessitate; their economic viability may depend on the North Field in 20 years' time when their oil reserves will be seriously depleted (recoverable oil reserves are estimated at 4,700m barrels).

The oil companies are also keen to develop with reservations about the return on their investment and its protection, perhaps in the form of a higher share of the equity, from production cut-backs. The Japanese are said to be pressing for more equity than that originally on offer.

All parties have reservations about the problems inherent in gas projects, the technology of which is constantly breaking new ground and not always very happily. As one diplomat put it, oil produces wealth, gas produces headaches. At the moment, however, it is the problem of LNG exports which give rise to the most persistent headaches. LNG projects take eight to 10 years to come to fruition; the North Field development moves us forward to the turn of the century in terms of fuel use.

It is the huge time involved which makes projections as to future needs in Japan, or in Western Europe for that matter, particularly vulnerable, especially in the climate of the present oil glut and the continuing recession. The Japanese are remaining particularly cagey about their future needs. Qatar is a long way from Japan and the Gulf and Indian Ocean are politically vulnerable. Will the recession bottom out in two or three years' time? Will



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conservation measures continue to bite? Will the present burst of nuclear power supply in Japan (some 22 reactors producing or near production) be sufficient beyond 1990? How much heavy industry will Japan have moved out by then, to neighbours with cheaper labour?

The development of the North Field must be seen in the light of such questions, which are bothering economists all over the world. There is also an Arab context. The Qataris would like to play a bigger political as well as economic role in the Gulf, for instance in the Gulf Cooperation Council. For this they need to be seen to be among the major producers. This is not possible with their oil; with North Field gas it is.

Sarah Searight

## Banking Waiting for the cheque

Like all other business sectors in Qatar, Doha's bankers are waiting patiently for the planned \$6,000m development of the massive natural gas reserves of the North Field. "The go-ahead to develop the North Field has boosted confidence," says a British bank manager in the capital. An Arab banker adds: "Most of our future funds will be used to finance future development — especially the North Field."

Although it will probably take about a year from the first disbursements before funds from the North Field investment begin to filter into the banking system, the banks are unlikely to face any hardship in the short term. In a country where

probably more than 90 per cent of economy is generated through government expenditure, the banks began to reap the benefits in 1981 of the Government's first major spending increase for five years. In the first half of 1981 the consolidated balance sheet of Qatar's 13 banks rose by 26 per cent to 9,193.6m Qatari rials in June 1981 from 7,296.1m Qatari rials six months earlier. The rise for the full year was more than 30 per cent.

Banking in Qatar is a relatively young industry, the first bank having been established in 1950. The sector's growth has been steady rather than dramatic, reflecting the Government's own propensity for cautious, carefully-planned development. Opinions differ as to whether the country is overbanked or not.

It has never professed to be a Gulf financial centre and has avoided some of the excesses of some of its neighbours. Qatar's 13 banks and total population of only about 220,000 compares with Kuwait's six banks and 1,300,000 population and the UAE's 50 banks and 1 million population. Licences to open branches in Doha were granted in the late 1970s to National Bank of Abu Dhabi and Saudi Arabia's National Commercial Bank, but it is highly unlikely this will happen. However, official confidence in the sector's future is such that two more institutions have been proposed.

Part of this confidence stems from the steady growth of the banking sector in recent years, and in particular the performance of the three locally-owned banks. The newest of the three, Doha Bank, was formed in 1979 with a paid-up capital of 15m Qatari rials subscribed by Qatar Flour Mills Company, Qatar National Navigation & Transport Company, two local insurance firms and other private interests. By the end of 1980 — its first full year of operation — the bank reported total assets/liabilities of 963m Qatari rials. The bank's high rate of growth is remarkable in view of the aggressive competition for funds among the banks. Artificially low fixed-interest rates have led to periodic outflows of capital, attracted by higher interest rates overseas, and resulted in shortages of liquidity in the local market. Nevertheless, Doha Bank's 1981 performance lifted it into second place in the Doha league in terms of assets/liabilities.

Other large banks include Arab Bank, which has its head office in Jordan, and the United Kingdom's Grindlays Bank and the British Bank of the Middle East.

The locally-owned Commercial Bank of Qatar, established in 1975 with a 30m Qatari capital, has grown less fast than Doha Bank although it too made ground rapidly in 1981. Its figures for April 1981 show total assets/liabilities of 454.5m Qatari rials.

All discussion of banking in Doha, however, is dominated by Qatar National Bank (QNB), which in 1981 accounted for 60 per cent of all deposits and 36 per cent of credit. Formed in 1965, the 50 per cent state-owned bank is the only local bank with offices abroad — two in London and one in Paris. QNB's assistant general manager, Qatani Masri, says the bank has been "conservative in international business because of the uncertainty of international interest rates."

After an indifferent year in 1980 when total assets/liabilities dropped by 20 per cent to 4,255.4m rials, QNB recovered in 1981 with what it terms "impressive growth" to register total assets/liabilities of 5,614.5m rials.

One of the QNB's principal roles has been that of government banker, a side of its business that the bank likes to play down. Masri says: "We are often criticised for having government funds, but in reality we do not have much more than some other banks." At least

seven other banks receive government funds.

The main reason that the commercial banks handle the Government's revenues is that the state's fiscal authority, the Qatar Monetary Agency (QMA), is not yet equipped to handle them. Formed in 1972 with a total staff of six, this has now risen to about 115, a third of whom are Qataris. QMA director-general Majid al-Majid, who has campaigned for greater supervision of the financial sector, is confident his organization has stopped several malpractices by financial institutions.

Several measures have been proposed, but not yet approved, to empower QMA to tackle the drain on domestic liquidity. They include the power to require banks to have up to 20 per cent of liabilities in local liquid assets, and the start of a discount operation, giving banks access to short-term funds.

One area where the QMA has recently been flexing its muscles is the control of the finance and exchange houses. The QMA has, in the past, accused some of these establishments of overstepping their role by taking deposits and opening current and savings accounts. A law which came into effect in March gives the QMA the right to regulate the dealings of the 20 or so finance and exchange houses which account for about 500m rials of business every month.

Michael Petrie-Ritchie Middle East Economic Digest

## Oil Over a price barrel

When the small emirate of Qatar finally became fully independent from Britain in 1971 it had already been a member of the Organization of Petroleum Exporting Countries for 10 years. Then as now Qatar depends almost wholly on crude oil exports for revenue: in 1970 oil brought in \$122m, and in 1980 it raised \$5,400m. This increase is in part due to Qatar's commitment to Opec.

Unlike its neighbour the United Arab Emirates, of which Qatar might have been part when the federation was formed in 1971, Qatar is one of Opec's tougher members. Its policy is dictated by two factors: the shortage of alternative income (at least until natural gas from the North Field becomes commercial); and the small size of production and reserves.

For the Gulf sheikdom is one of Opec's smallest members. At the end of 1980 the country's oil reserves were put at 3,500 million barrels enough for just 25 years production at 400,000 barrels per day (bpd). In fact the recent Opec agreement at Vienna to share production cuts has reduced Qatar's output to 300,000 bpd. As late as January production was running at more than 402,000 bpd. Only Ecuador and Gabon pump up less oil, but they are rather bigger countries.

Production in 1981 averaged 405,000 bpd, a drop of 14 per cent from the previous year. That was much in line with government targets and the authorities try to match conservation with revenue needs. But 300,000 is something of a sacrifice for so small a country, whose

income has also fallen over the past six months, and whose foreign reserves possibly amount to \$9,000m. Even for a population officially estimated at 250,000 (but unofficially put at nearer 220,000) this does not allow much leeway if reserves are indeed exhausted in half a lifetime.

Qatar therefore has tended to support a more aggressive oil pricing policy than its giant neighbour Saudi Arabia and its ally the UAE. In 1976, for example, when the Opec ministerial meeting was held in Doha amid tight security, Qatar was among the majority of Opec members who raised their prices, while Saudi Arabia and the UAE held theirs down. This two-tier pricing strategy was the first major split in Opec ranks after the rapid price increases of 1973-76 and an embarrassment for Qatar, the host country, and its oil minister, Shaikh Abdul Aziz bin Khalifa al-Thani, who could not prevent the breach and immediately became president of a divided body.

Opec recovered its composure later in 1977, but the 1979 meeting in Caracas also failed to agree on a single pricing policy, and during the ensuing two years considerable disarray in the oil market Qatar took full advantage of high prices. In 1980 the Qatar General Petroleum Corporation was able to impose a premium of \$6.50 a barrel, particularly on oil sold to Japanese companies. The QGPC tried to enforce the premium when the Japanese buying contracts expired in March of last year. By then production was clearly falling, and Opec was

sailing into choppy waters. But in the event Qatar accepted that such high prices were unsustainable, and in May agreed with nine other Opec members to cut production. Maximum allowable production was lowered to 427,000 bpd.

At last year's August, October, and December Opec meetings, Qatar sided with those who wanted to reduce production to support prices. One consideration has been political. While its revenue needs are more acute than those of its neighbours, Qatar shared with them the fear of Iran — especially after the attempted coup in Bahrain — and watches nervously the course of the war between Iran and Iraq. Such events have pushed the emirate closer to the Saudi camp, away from the radicals in the larger Gulf states.

Qatar's policy has therefore shifted from pushing for price rises to support for the Saudi strategy of defending the \$34 a barrel marker price by seeking and maintaining production cuts. As a country which has offered proportionately a major cut, Qatar now has a strong interest in seeing that the machinery of enforcement works, and that other producers keep their promises. The emirate certainly does not want to cut oil production further, because recent events have already diminished to critical levels the associated gas which fuels the country's burgeoning heavy industry.

But a longer term reason for backing the Saudi approach has also emerged over the past two years. Qatar is the proud possessor of one of the world's biggest natural gas fields.

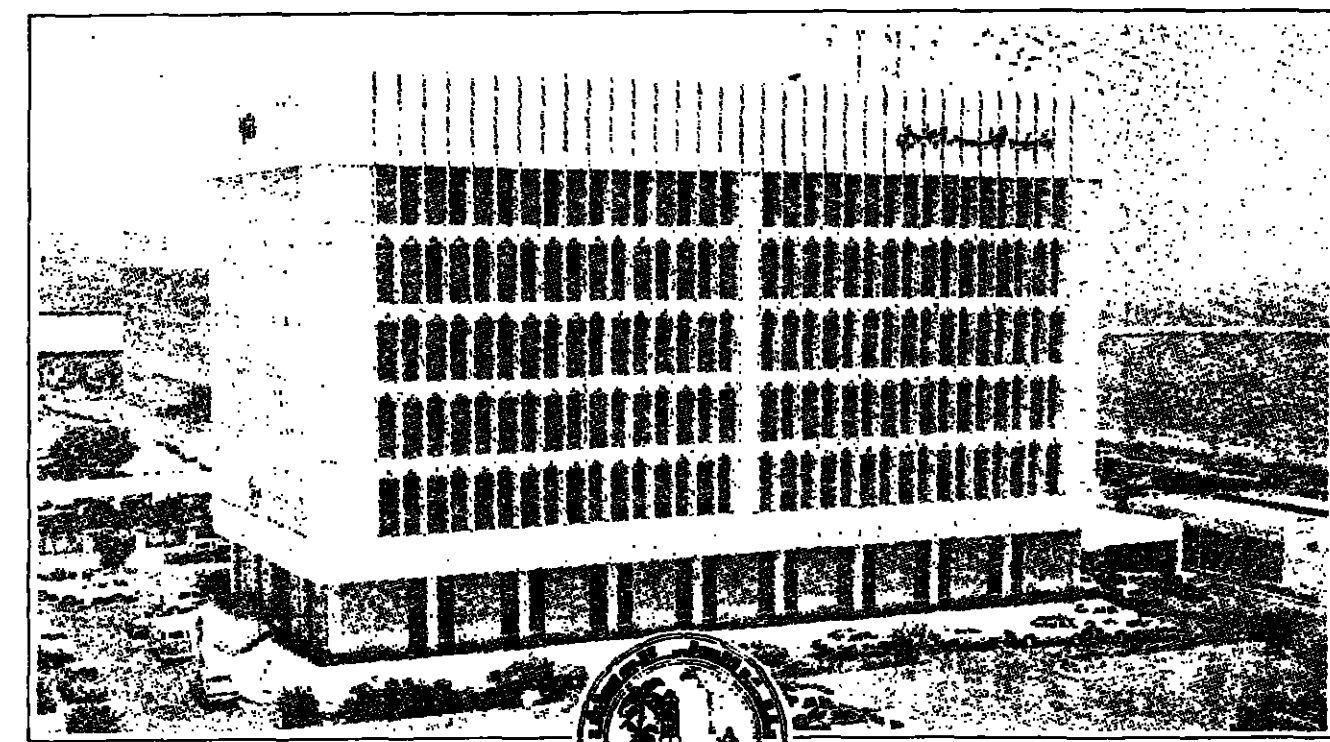
Given such small oil reserves, Qatar's future lies with successful exploitation of its gas.

So it is not surprising that Qatar has been arguing within Opec that natural gas prices should be indexed to oil prices. In pursuing this line, the emirate has sought support from Algeria, which recently signed a long-term gas supply deal with France, and from Saudi Arabia, whose gas reserves are conceivably even bigger than its oil deposits.

But Qatar's idea raises some awkward problems for Opec. Not all its members are significant gas producers, potential or actual, and would not wish to become dangerously competitive with oil. Gas also tends to be a more localized industry than crude oil. General price fixing is therefore harder.

Whether Qatar will press for a broad Opec policy on gas pricing, or resign itself to building indexation into individual contracts, is still unclear. But in either case, the outcome implies a vested interest in stable or predictable oil prices, which in turn suggests continuing agreement in production levels. Qatar's Opec role is thus quietly changing. If the emirate does become a major gas exporter, Qatar is likely to be less pragmatic about Opec pricing than in the past.

Michael Prest



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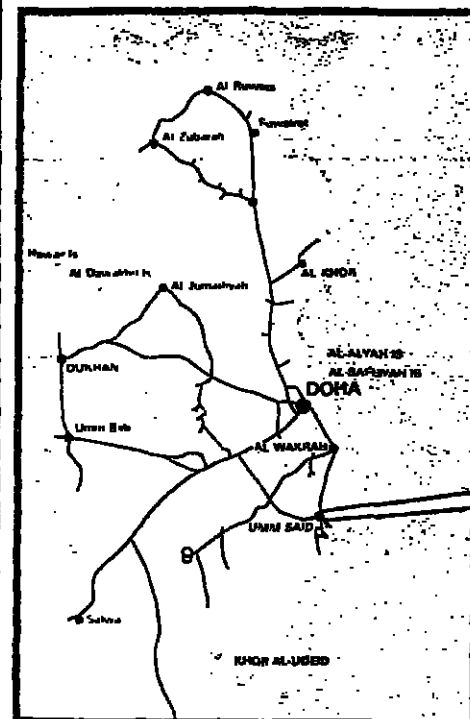
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royalties, which amounted to 25 per cent of the oil revenue, raised civil servants' salaries by 20 per cent and allocated the remainder to economic development. Not surprisingly his accession was widely acclaimed.

Like many political leaders, he promised the people reforms that would strengthen the economy and bring them prosperity. Unlike most of them he has largely fulfilled his promises, some of them beyond the wildest expectations. He was the first ruler in the Gulf to diversify away from oil: the plans for the industrial centre at Umm Said were begun in the early 1960s and included a cement factory, flour mills, prawn processing, a fertilizer plant, a steel mill, and aluminium smelter, an LNG plant and a petrochemical complex (the first in the Arab world).

He was also a pioneer in halting the wasteful flaring of natural gas associated with oil extraction, diverting it as a source of power for the new industries.

More important, each industry was first subjected to the most rigorous market analysis (a step Shaikh Khalifa considers crucial) and a careful examination of production methods and long-term prospects. Unlike the Saudi Arabian establishment, he has come to terms with the need for Western expertise and technology while maintaining traditional Islamic values. As he put it to a meeting of the Advisory Council: "Our State believes in the necessity of defining needs and assessing potentialities so that we may deal with realities, establishing the public system on these realities and not on systems created in conditions totally differing from our own or experiences alien to us."

Shaikh Khalifa does not suffer fools gladly and can tolerate neither those who waste their educational opportunities nor hasty or clumsy development. "The process of national regeneration bears no resemblance to the lighting of a match which is extinguished a moment after it is struck."

At the annual opening of the Advisory Council last November he reminded members that "it is not by mere size that the quality of a state may be estimated, but by her achievement with what she has been given." In some ways it is unfortunate that Shaikh Khalifa is the leader of such a small community. Like Mr Lee Kuan Yew, Prime Minister of Singapore, his record suggests he is capable of leading a much larger nation.

G.W.

## Industry

## A climate fit for foreigners

Qatar recently acquired its first major manufacturing plant as a joint venture between the Hempel Group of Denmark and local and Kuwaiti interests. For Hempel it completed a chain of factories throughout the Gulf and for Qatar it provided yet another product which is now made at home. Not that Qatar needs import substitution industries in the strict sense since its status as an oil and gas exporter ensures ample liquidity of foreign exchange. More it has been the policy of the Government, led by the Amir Shaikh Khalifa, to develop an industrial base which in times of world shortage of essential commodities would cushion Qatar against any drying up of imports.

Heavy industry is concentrated at Umm Said, 30 miles south of Doha, where Western companies have joined with the Government in a number of manufacturing projects which all use gas as feedstock. The Qatar Steel Company (Qasco) brings in Japan's Kobe Steel and is described by the World Bank as a "model project"; the Qatar Fertiliser Company (Qafco) involves Norway's Norsk Hydro and two British concerns while the Qatar Petrochemical Company (Qapco) is a partnership between the Government and CDF-Chemie of France.

Shortages of gas due to Opec-induced cuts in oil production have constrained production at some of the main Umm Said plants in recent months. This is because Umm Said uses associated gas — gas produced at the same time as crude oil.

Another problem has been technical difficulties with supply of gas through a pipeline from the offshore oil fields. Qapco has had to announce that a long awaited expansion of the plant, to produce high density polyethylene, has been delayed until the gas shortages are resolved. Since May 1981 Mitsui of Japan has been holding a letter of intent for the \$46m expansion plan.

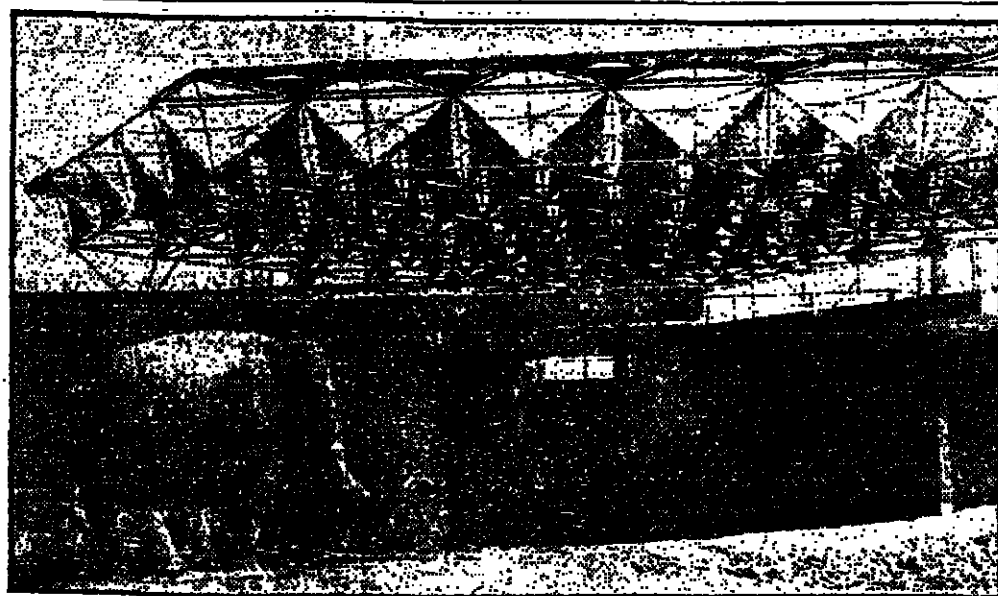
By contrast Qasco had an excellent year for steel production in 1981. Output reached 455,000 tonnes last year compared with the 330,000 tonnes nominal capacity of the direct reduction plant. This was the third successive year that production of steel exceeded the rated capacity of the plant.

The focus for industrial expansion in 1982 may switch away from Umm Said. The Doha Municipality is anxious to develop the Salwa Road industrial estate outside the city. The latest addition is to be a dairy products plant worth \$11m for which Danish expertise has been sought. The Qatar Flour Mills Company is also in the market for expansion with a proposal to raise its milling capacity from 100 tonnes a day to 400 tonnes a day.

The medium to long-term future, however, will be far more concerned with the government plans to develop a new town at Ras Laffan north of Doha. Ras Laffan is a barren area of desert north of the village of Khor where the only evidence of habitation is beach villas owned by prominent locals. By the late 1980s it will be humming with activity on the scale of Umm Said.

For Ras Laffan is to be the site of the onshore facilities linked to the plans to produce liquefied natural gas (LNG) from the North Field discovered many years ago by Shell. As a corollary to the LNG processing facilities there will be a 600 MW power station and 40 million gallon a day desalination plant. This is to be the successor to the present power and desalination station at Ras Abu Fanas south of Doha for which the consultants were Ewbank & Partners of the United Kingdom. This time, however, the project has been put under West German supervision with Fichtner expected to issue tender documents for Ras Laffan in the first half of 1982.

Big capital projects such as Ras Abu Fanas in the 1970s and Ras Laffan in the 1980s stimulate the local economy. The government hopes always that local entrepreneurs will come in on the coast tails of the schemes. The incentives for Qatari businessmen investing in local industry are attractive. If convinced that a scheme is feasible the Government will give a package including free land, a five-year tax holiday, customs exemptions on inputs and water and electricity at nominal charges. The executive organization which handles promotion of light industry is the Industrial Development Technical Centre (IDTC) whose director-general is Mohammad Said Mishal.



The new Zoological Gardens in Doha, expected to open next September, were designed by the British architects John S Bennington Partnership, and the London Zoo has advised on the choice of animals. Canopies in the open and air conditioning in the closed areas are necessary to combat the heat and humidity of the summer months.

IDTC has a shopping list of 13 light industrial projects ranging from clay bricks to electrical accessories and a short list of four medium-sized industries, including asbestos, cement, plastics, tyres and melamine. France's Serete has been working on the IDTC light industry project for some years, and each year for the past five years an allocation has been set aside in the budget. The reservations expressed by the local business community about investing in industry rather than trade remain acute despite the fact that there are probably a handful of companies in Doha which would be on the Fortune 500 list if only they published full financial information.

The climate for foreign participation in the big industrial projects is liberal since in the case of the petrochemicals, steel and fertilizer companies, an amiri decree was necessary for the formation of the holding companies. For smaller ventures the Commerce & Industry Ministry insists on Qatari investors holding 51 per cent of the equity. The law can be made flexible but strict criteria are applied. "We are prepared to allow foreign companies in here if they are coming in to perform something which has a relationship with economic development — for example erecting big projects such as iron and steel and fertilizers," says the ministry's adviser Ismail Sedky Hafez. "This would also be the case if they are coming to carry out infrastructure projects such as the ports, hospitals and communications."

John Whelan

Deputy Editor,  
Middle East Economic Digest

## Business prospects

## Spurt of growth from old roots

Ten years after its independence was proclaimed Qatar has definitely established its own character as a country and as a trading partner.

The potential for expanding British business connections is good. Mr John Biffen, Secretary of State for Trade, has commented on the fact that Britain supplied almost 18 per cent of Qatar's imports in 1980, a higher proportion than we can claim in any other Gulf state. But this is not a country to approach with complacency.

As many business travellers discover, it is a mistake to assume that all Gulf states are identical or all Gulf Arabs alike. Geographically and climatically the setting is similar. In the situation of rapid development into modern life, circumstances are also much the same in most of them — a small oil-rich indigenous people employing a wholly disproportionate number of expatriates in the initial work of creating a state. After that the differences are marked.

Compared with the great areas of Saudi Arabia and the UAE, Qatar is a very small country, but that is not the only reason for the difference. Bahrain is smaller still and very near, but the contrast between the thinking and way of life in these two countries is as striking as any in the whole area and has its roots in history.

Qataris are friendly and very ready to like British people and to welcome links between the two countries, which is an asset for any first time visitor from the United Kingdom.

Qataris have a strict sense of values rooted in the Islamic faith but comparable to past standards of public opinion and ethics in the West. They are also hard, practical businessmen.

Eighty per cent of the country's population lives in and around the capital Doha, but as the total population is only about 220,000 the city is still a relatively small one with a distinct community feeling.

More or less everyone in official or business circles is acquainted with everyone else, or at least knows of them. Once the newcomer or even short-term visitor is accepted in this close-knit, hospitable world much is already accomplished. Equality, giving a bad initial impression can prove a lasting handicap.

Today British firms come in for a certain amount of trenchant criticism on the scores of late deliveries and high prices. Qataris are very ready to like and cooperate with the United Kingdom but they like a bargain even more. They will almost always settle for the lowest tender even if this means that the quality of the goods is also lower.

Two things are important for any visitor to Qatar (which means to its capital Doha) and especially so for the business pioneer who hopes to sow seeds for a future harvest. One is courtesy with reliability. Arabs are frequently unpunctual and not always prompt or efficient in correspondence. Qataris, though, less prone to these habits than most, are not free from them, but they very much admire and expect the old "Englishman's word is his bond" standards from the British.

Secondly the Westerner needs to understand and adopt the Arab high rating of personal contacts. Even when a firm has an efficient agent in Qatar it is still important to send a responsible executive over to establish business and then by regular visits to retain or increase it. And it should be the same person. Friendships once made are lasting.

For the newcomer to trading with Qatar two sources of factual information are the Qatar Chamber of Commerce and the British Embassy. The Chamber of Commerce (P.O. Box 402 Doha) was established in 1963 and now has more than 300 members, regular merchants and contractors rather than minor retailers. It can supply details of the Qatar laws related to setting up a business or simply lists of local merchants.

The Commercial Section of the British Embassy in Doha is also able to provide factual information and statistics as well as helpful and current advice. No visas or sponsors are required for visitors from Britain to enter Qatar. Once there success in doing business, however, does demand some understanding of the country, its needs, aims and conventions as well as a sound marketable product and healthy competitive approach.

P.T.

## Consulting Service

for the Gulf

## A source of resource

"The Gulf Organization for Industrial Consulting was a matter of necessity when it was set up in 1976", said its secretary-general Dr Abdulrahman Al-Mosajil. "The problem now is that it has done so much in a short time that public awareness of it has not kept pace. Many people do not know about it, even in the member states."

A non-political association of Gulf Arab countries which has its headquarters in Qatar, the basic principle of GOIC was simple. Seven states: Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Iraq, Bahrain and Oman founded this organization to share their individual knowledge and experience in industrial matters, encourage development in the region by mutual agreement and seek new fields of enterprise.

The aims of industrial development here form the antithesis of comparable government projects in most other parts of the world. There, an important reason for the project — sometimes the most important — is to provide employment. In five out of seven of these Gulf states the labour force has to be brought in from abroad and often a good many of the skilled technicians also. The maximum use of resources with minimum labour is therefore a common need.

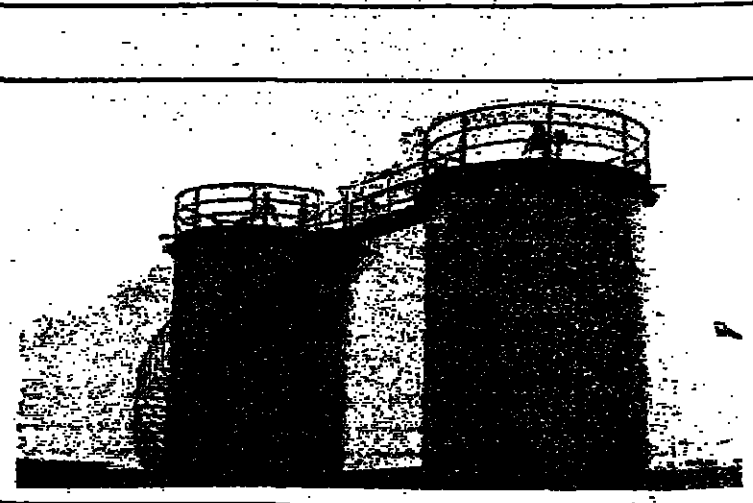
"Feasibility studies" Dr Al-Mosajil added rather sadly, "seem to be the only part of GOIC's work that is widely known, but although important in the specific projects feasibility undertakings are really only a small part of what we do."

There are three broad phases in the organization's work. First the evolution of suitable projects, second pre-feasibility or feasibility studies to test them, thirdly promotion: at least four of the member states must agree at this stage, and all the legal aspects be worked out, necessary laws and procedure drafted.

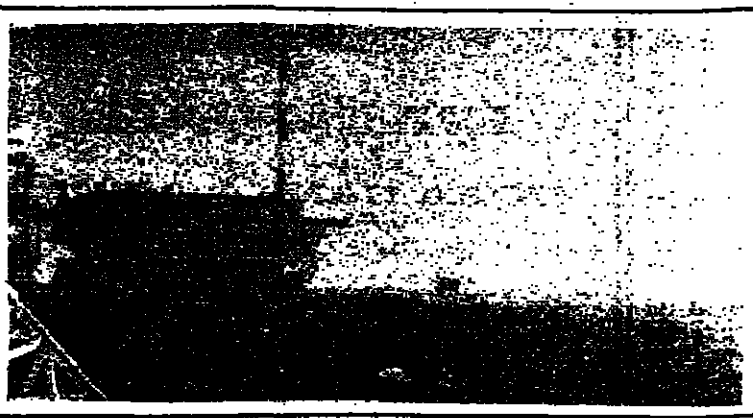
Dr Al-Mosajil who became GOIC's secretary-general last summer is a Saudi Arabian who graduated at the University of Oregon, and until he took up this appointment, was a professor of mathematics at the Saudi Arabian University of Petroleum and Minerals at Dhahran. He is also an enthusiast. With his working committee of the organization's own consultants he intends to produce a medium term plan for GOIC's internal working and use. He also plans to tour the seven member states with his assistant secretaries-general to promote fuller understanding of GOIC's functions and resources.

So far these have been available only to the public sector in the countries concerned. The legal implications of extending them for use by private enterprise are now being considered. In the future GOIC might be available worldwide as the definitive consultancy on industrial matters in The Gulf, and in a wider context for those industries with which it is concerned.

Penelope Turing



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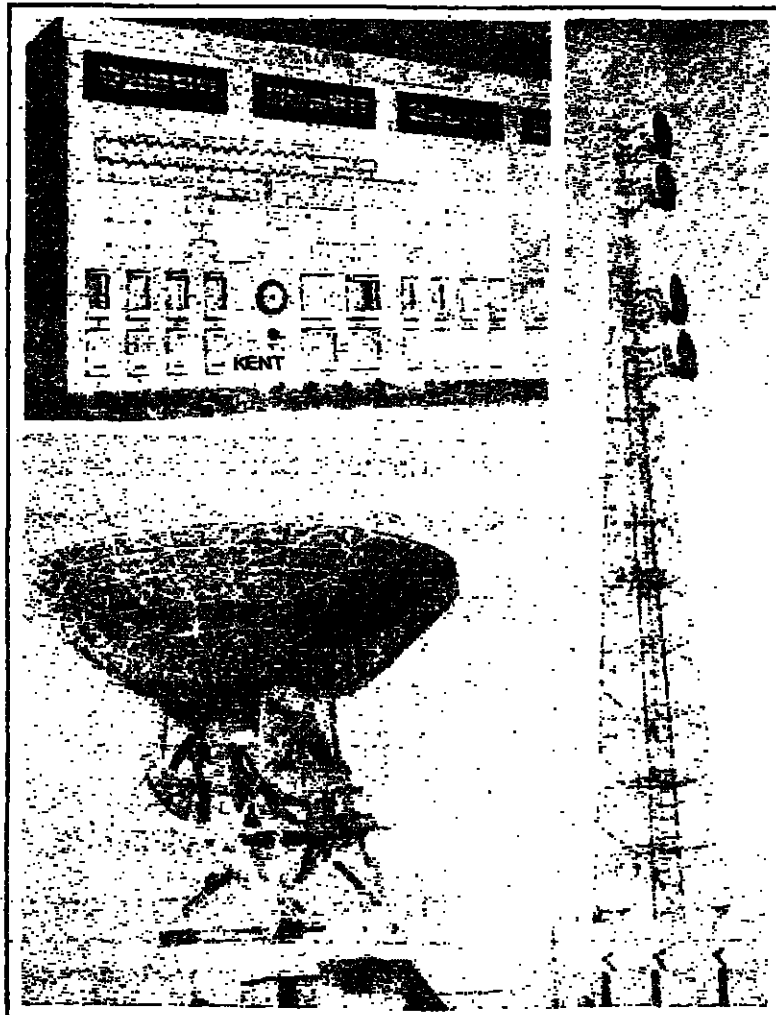
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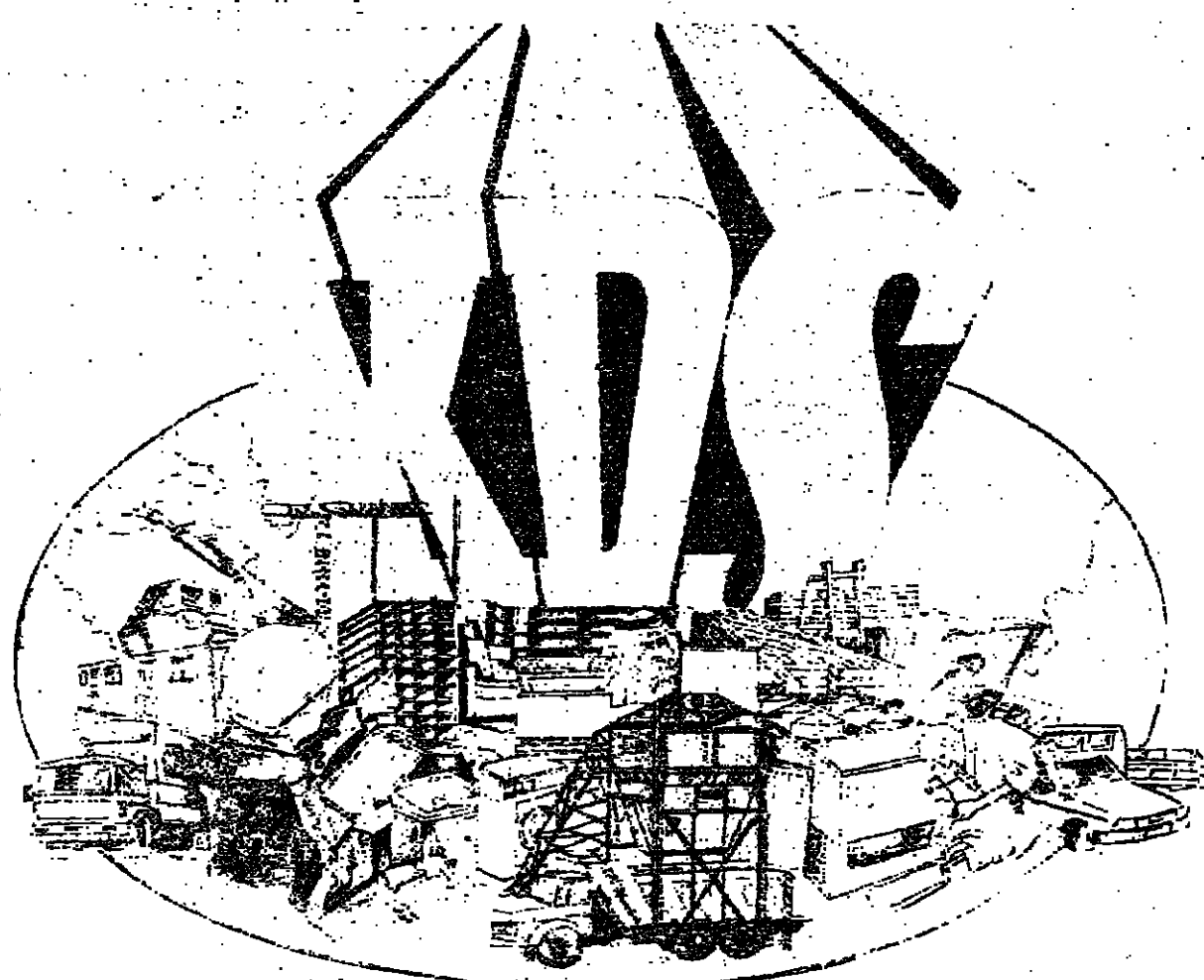
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## Doha A boom without the bother

Qatar sticks out into the Gulf like a swollen thumb. One might think from the map that it commanded a particularly strategic point. But until the middle of the nineteenth century it hardly figured even on naval maps of the area. From the sea the peninsula lacked any decent harbour; from the land it lacked any decent water. Caravans and merchantmen passed it by.

These drawbacks have been to Doha's advantage in the 30 years since oil was discovered; generally it has been avoided by the crowds of entrepreneurs and speculators who have swarmed over other oil capitals, bringing their problems with them.

Like most cities of the Gulf, Doha began life as a fishing and pearling village, squatting on the flat shallow shore, invisible against the sand. This was "the land God forgot". The artificial pearl was created by the Japanese in the 1930s and upset the balance of survival. Fifteen years or so later, in 1949, oil was discovered by the British and readjusted the balance. Doha began to change.

Until the 1970s the change was more gradual than elsewhere in the Gulf and much of Doha is still untouched by speculative building. The Qataris are often described as reticent and cautious, so were their British advisers. The town grew haphazardly, unwilling to be trammelled by town planners' ring roads.

The village merged into the town albeit oil capital, rather than let itself be submerged, and the town remained a town. Qatar's fishing and pearling past was enshrined, more effectively than in other Gulf centres, in what is paradoxically one of the most successful modern complexes in Doha. Narrow streets, rows of craftsmen's voices and cats on corners give Doha a middle age that is missing in the more nouveaux riches capitals of the Gulf.

Off-stage, however, a change of scene has been prepared over the past decade which is only now beginning to emerge. In February the tenth anniversary of the Ruler's accession marked its unveiling. Fireworks along the corniche of the reclaimed West Bay illuminated a grandiose promenade of banks and financial institutions built during this last decade, ousting their picturesque but primitive original quarters.

The huge stepped pyramid of the Sheraton, a 400-room hotel and adjoining conference centre, rides at anchor at the mouth of the bay on a peninsula of reclaimed land. It was inaugurated earlier this month for the conference of the organization of Arab Petroleum Exporting countries, along with the 600-bed Hamad General Hospital and the Salam shopping plaza. A new television studio complex was opened in March and soon there will be a new zoo, whose inhabitants will include some of the famous oryx which the Ruler saved from extinction.

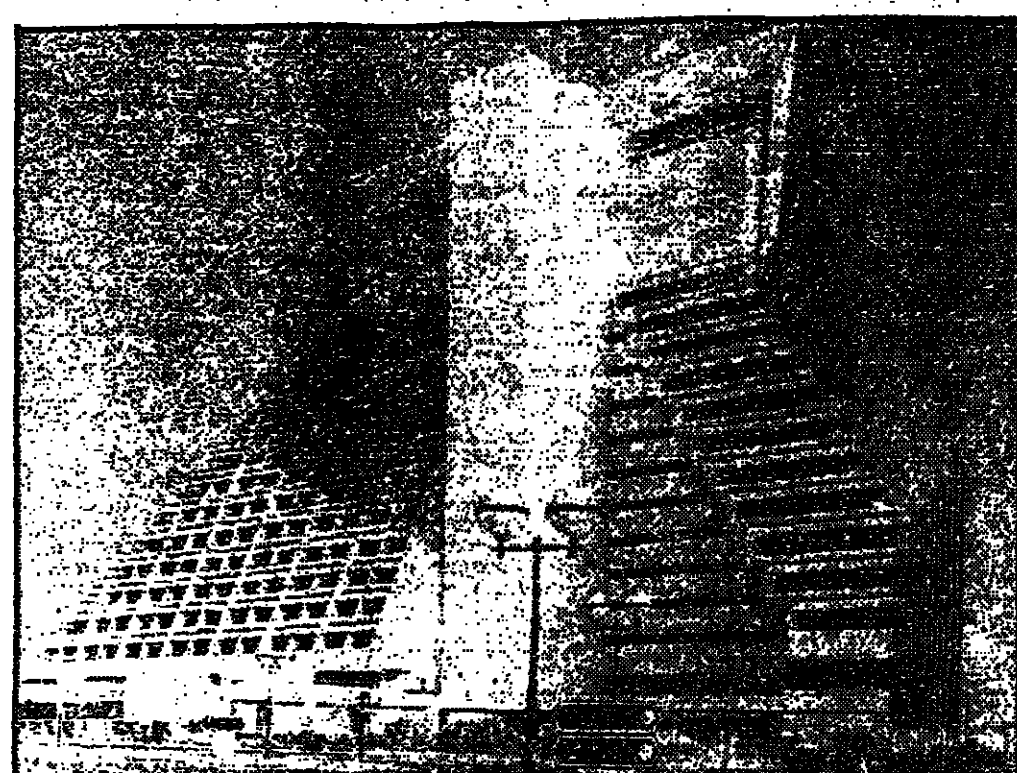
The redevelopment of Doha is the Ruler's brainchild, its development directed by Hisham Qaddoumi, who is in charge of the modest-sounding but ambitiously wide-ranging Technical Office in the Ruler's palace. The walls of his office are covered with drawings of leisure centres, recreational areas, relocated markets.

"We are not interested in instant cities," says Qaddoumi; "long-term planning remains our motto." Much of the new development is sited on reclaimed land where plots are much cheaper than in the congested city centre.

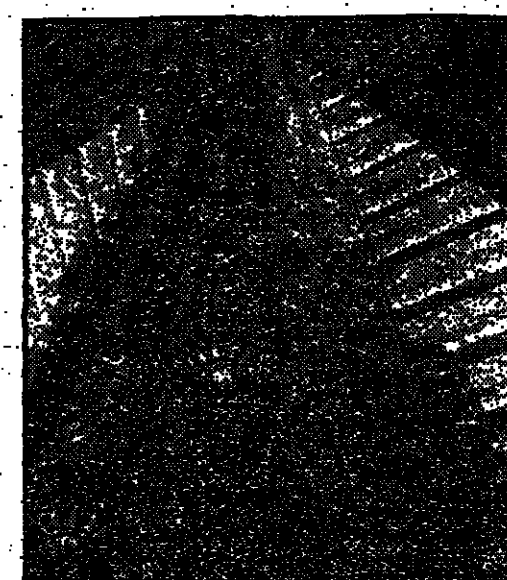
The city is being developed around various nuclei — the existing university of 3,500 students, a 470-acre recreational park on the shore to the north, the new hotel and conference centre, a shopping centre round the Salam plaza, a ministerial complex on the corniche (in various stages of planning and development), the extended palace and so on.

The present suq area remains but will be expanded and pedestrianized; the clamour over the removal of the fruit and vegetable markets out of town (to exclude truck traffic) will lead to the relocation of smaller retail centres throughout the town.

Roads within the city are seen by Mr Qaddoumi as part



The Ruler of Qatar, Shaikh Khalifa bin Hamad al-Thani, celebrated the tenth anniversary of his accession last month by opening the Doha Sheraton. This hotel and conference centre (above) — one of the most spectacular pieces of architecture in the Middle East — was designed by the Californian architects William L. Pereira Associates. (Below right): the glass lifts.



of the essential groundwork of his scheme, and he is steering the "ring roads" northwards to blend the old city with the new. He is only just in time for traffic is already grinding to a halt, not helped by the fact that such drastic alteration to the alignment of Doha means roadworks, roadworks and more roadworks.

Long-term planning, notwithstanding, pressure on housing has forced the government to ease building finance in that direction. Rents have risen some 30 per cent in the past year. Private housing will be left to private developers but certain areas have been set aside for government schemes for its own employees.

A township of low-cost housing, Shaikh Khalifa town, was built several years ago to the west of Doha, but the city needs more integrated low-cost complexes. The boom in construction is often interpreted as part of the general excitement over the promised development of the North Field gas reserves. This is unfair to the Qataris, although the gas was discovered only the year before

the Ruler's accession, which also marks the beginning of the present redesign of Doha.

The potential of the North Field has certainly awoken interest in Qatar, previously regarded as one of the less well off of the oil producers, and it has given the Qataris themselves a boost in confidence, symbolized by the magnificence of the Sheraton conference centre. It is this confidence which is apparent in the scaffolding and dust.

But economic expansion from the development of the gas reserves is still a long way off and the Qatar government neither should nor does look to it as the justification for Doha's renewal.

Urban development in the Gulf has taken some nasty knocks in recent years. It is easy enough to be wise after the event, difficult to be wise before. Too many hotels? Too much office space? Shortage of private housing? The balance is extraordinarily sensitive, and the Ruler and Mr Qaddoumi would like to avoid accusations of ill-planned extravagance.

Sarah Searight

## A visitor's guide Trouble-free environment for businessmen

Qatar presents few material problems or frustrations for the business visitor. It is easy to reach, compact since the majority will be concerned only with Doha and perhaps Umm Said, 45 km to the south, and well equipped with hotels. Indeed, like some other Gulf states it already has something of a surfeit of top class hotels which is good for the visitor, keeping prices down and standards up through competition.

Doha's international airport is small and simple in comparison with some of its neighbours, but adequate and the staff are helpful. It is linked by various air services with most parts of the world from Tokyo to Belfast.

Gulf Air, Qatar's national airline (shared with the UAE, Bahrain and Oman) has daily flights to and from London, four of them non-stop, and provides comprehensive inter-Gulf as well as long-haul service. Bahrain is only a 20 minutes flight from Doha. British Airways also has a service from London three times a week.

No visas are required from holders of British passports who were born in Britain. Others can obtain a 72-hour visa at the airport if their visit has a Qatar sponsor. Holders of Israeli passports or others whose passport bears an Israeli stamp are not admitted.

The only inoculation required by the Qatar authorities is for cholera. Medical advice in Britain also recommends immunization against typhoid and polio, and anti-malarial tablets.

The anti-inoculation is conveniently close to the city and traffic conditions being rather easier than in some other Gulf capitals one can normally reckon to reach Doha hotels

from the airport, or to drive from one part of the town to another in 15 to 20 minutes.

Doha's hotels fall naturally into two groups: luxury and near luxury, and others. In the first the Gulf Hotel is still the well-established classic venue which has long been used for official guests and functions and is a social meeting place. It is on the sea, close to town and airport and the standard of both food and service is excellent and has risen markedly in the past three years. Bedrooms are large with typical five-star amenities. Single rate without breakfast is from 285 rials.

The hotel has its own yacht marina and beach as well as swimming pool, and a pleasant feature is afternoon tea on the mezzanine floor.

The Ramada, opened in 1979, is 10km from the centre of Doha, in the Salwa Road district, near the embassy offering international five-star quality standards, with special business and secretarial services as well as sports facilities. Room rates are from 330 rials, including breakfast.

There are three restaurants. Maxima is the luxury one, open only in the evenings with excellent international food and service and live music — pianist or small ensemble. The Lulus restaurant offers an executive table d'hôte lunch with accent on fish, and is also available for private receptions.

Newest of Doha's hotels is the Sheraton, officially opened a few weeks ago. This is an ultra-modern pyramid at the far northern end of the corniche (the opposite end of the bay to the Gulf Hotel), and with 430 rooms and full

conference centre will present substantial extra competition for the other hotels. The single room rate is from 300 rials.

The Oasis stands beside the Gulf Hotel and offers good value at a lower price level: from 245 rials. This was Doha's first major hotel, built in 1958 but now fully modernized. It has well equipped, comfortable bedrooms, two cafeteria restaurants, a banqueting room for special functions, beach and swimming pool and

accommodation for medium-sized conferences.

Other hotels can be grouped as European two-star standard.

For Arab food go to Al Majlis where most of the meats are barbecued and there is a good range of the Lebanese type hors d'oeuvres. Prices are reasonable. A coffee house next door has delicious cakes and is owned by the same company.

Penelope Turing



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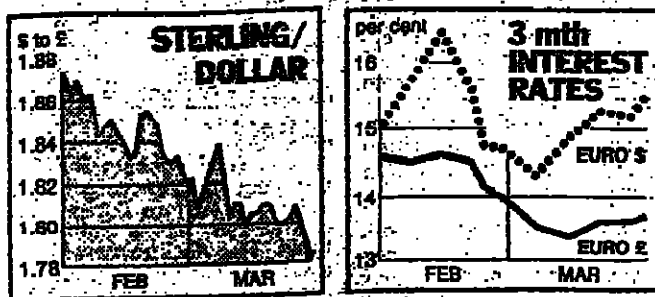
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## BUSINESS NEWS

## Sterling steadier



The pound was much firmer against the dollar yesterday in quiet trading. It closed a net 25 points up at \$1.8825, though its index against a basket of currencies was 0.1 easier at 90.8. The dollar, still buoyed by firm interest rates, failed to hold on to early strength which lifted it to DM2.42, before profit-taking left it a net 20 points lower at DM2.4115. The dollar was also softer against the yen after Japanese central bank intervention, but gained against the Swiss franc after further cuts in Swiss bank deposit rates.

## Clore ruling next week

The Appeal Court hearing over the £15m claimed by the Inland Revenue on the estate of the late Sir Charles Clore is now expected to continue until Thursday. It is understood that judgment will be given on Monday, April 5. Sir Charles' estate was transferred to a Jersey-based company, Stype Investments, which then sold off the assets to Jersey Assurance. The receipts, amounting to £20.5m, were immediately banked in Jersey.

## Mexico could cut oil price

Mexico, a leading non-Opec oil producer, said yesterday it had not ruled out a further cut in its oil prices next month. This would put more pressure on Opec's fragile attempt to hold levels around a \$34-a-barrel reference price. Mobil, Shell and Gulf, the leading producers in Nigeria, said they had not been told of any move by Saudi Arabia to impose sanctions, despite the expiry of the reported deadline for companies to increase liftings from Nigeria. *Petroleum Intelligence Weekly*, the industry newsletter, said Opec's high prices could cost the four operating companies in Saudi Arabia—Exxon, Mobil, Texaco and Chevron—\$1,800m (£1,000m) in losses over the next three months.

## EEC withdrawal 'threat to jobs'

Withdrawal of the United Kingdom from the European Community could threaten many of the 2.5 million jobs which are linked directly and indirectly to Britain's trade with Europe, Sir Raymond Penneck, president of the Confederation of British Industry warned in Sheffield last night. The warning comes in a new survey in which one-third of those questioned were in favour of leaving the European community.

## South Wales tour

Japanese businessmen start a two-day tour of South Wales today organized by the Development Corporation for Wales and the Japanese Chamber of Commerce and Industry in the United Kingdom. The corporation hopes for more Japanese investment in the region, which has already attracted the heaviest concentration of Japanese manufacturing in Britain, and possibly Europe.

## MARKET SUMMARY

## Trading news lifts gloom

## LONDON EXCHANGE

FT Index 562.3 up 7.2  
FT 100 68.30 up 0.07  
FT All Share 323.31 up 2.85  
BARGAINS 23,039

A crop of healthy trading news and optimistic words from the Governor of the Bank of England on Monday evening on inflation lifted the gloom from the market as the FT index rose steadily to close up 7.2 at 562.3.

But it was not all glad tidings; with Cape Industries plunging 33p to 130p after a 66c net slump in profits to 22.2m pre-tax and a slashed dividend.

Reckitt & Coleman set the tone for companies reporting with the shares up 6p to 294p after a 25 per cent rise in profits, while British Aerospace rose 11p to 131p on satisfactory trading news.

A dawn raid on book publisher Richard Jack pushed the shares up 20p to 66p but left Mr Robert Maxwell's BPC with only 5.87 per cent of the equity instead of the 14.9 per cent he had hoped for, as another buyer appeared in the market.

Engineering group Babcock & Wilcox eased up 60p to 200p after a 25 per cent rise in profits to 20.2m pre-tax and a 10p boost to Standard Chartered at 664p.

Both firms are largely family controlled. A Merrydown spokesman also dismissed the rumours, saying that there had been no talks and that the family shareholders would not be involved in selling. Merrydown put on 5p to 72p.

Sangers shares were unchanged at 51p after boardroom upheaval. Saw offshore based Sinclair, Mr Tom Whyte got a director's seat with the loss-making pharmaceuticals group. Mr Whyte has 24 per cent of the group and made an unsuccessful attempt earlier this year to persuade the board to acquire an American 'investment' broking business at a cost of about £12m.

Trade in gilts was subdued, with a slight recovery after several days of gloom leaving gilts up to 5.4 across the board.

Revised bid speculation pushed Spirax Sarco up 20p to 308p while Courtaulds shares were 5p better at 88p amid speculation that the group's recovery could well exceed estimates. There are also vague suggestions of a link-up with Beecham, 4p ahead at 232p.

An 18.3 per cent jump in profits pushed Spirax Sarco up 20p to 308p while Courtaulds shares were 5p better at 88p amid speculation that the group's recovery could well exceed estimates. There are also vague suggestions of a link-up with Beecham, 4p ahead at 232p.

Manchester motor dealer H & J Quick managed to raise its final dividend despite a pre-tax loss of £5,000 on sales of £9.6m, but the shares were unchanged at 45p.

Garth David

## COMMODITIES

● Tin prices eased after their modest recovery on Monday, partly because the International Tin Council meeting was again adjourned without a decision on export controls. Cash tin ended the day 266 lower at £6,980 a tonne, while three months metal fell by 587 to £7,175. Consumer members of the tin agreement appeared better disposed towards a new proposal that tin which might have fallen under export controls, should instead be lent to the buffer stock.

● Cocoa was influenced by the latest monthly report from Gill & Duffus which forecast a 1981-2 surplus of 81,000 tonnes from production of 1.7 million tonnes. The March contract fell 227 to 2905 a tonne, and May lost 224 to close at 2986. Gill & Duffus said that the cocoa agreement's bottom intervention price of 106 cents a pound was no longer a realistic short term target.

## TODAY

Interims: A. B. Electronics Products, Castlefield (Kang), Rubber Estates, Minerals Oil and Resources, Park Place Investments, W. Tyack and Turner. Final: Babcock International, Bowthorpe, British Mohair, Bunzl Pulp and Paper (to become Bunzl plc), Coda International, Dinkie Real, Dorado Holdings (AMD), Guardian Royal Exchange Assurance, Jamieson, Chocolates, Legal and General Group, Manolia Group, Moline, Sikolene Lubricants (MD), Weir Group, Wilkinson Warburton.

## OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Index 7,193.83 down 5.33  
Hongkong: Hang Sing Index 1,167.18 down 7.56

## CURRENCIES

● Most currencies traded narrowly in quiet trading. The dollar, initially firmer, eased later on profit-taking.

## LONDON CLOSE

STERLING  
\$1.7825 up 25 points  
Index 90.8 down 0.1  
DM 4.3050  
YEN 438.50  
DOLLAR  
Index 115.9 down 0.3  
DM 2.4115 down 20pts  
GOLD \$325.75 up \$8.75

## MONEY MARKETS

● Period rates were slightly firmer but short term rates eased as the market moved into surplus. The Bank having forecast a surplus of £100m, sold £41m of bills, redeemable today, at rates of 12½-13%. Domestic rates: Base rates 13%. 3 month interbank 13%-13½%. 3 month dollar 15½%-15¾%. 3 month DM 9¼%-9½%. 3 month Fr 25-24

## Rise in unemployment lifts productivity

By Melvyn Westlake

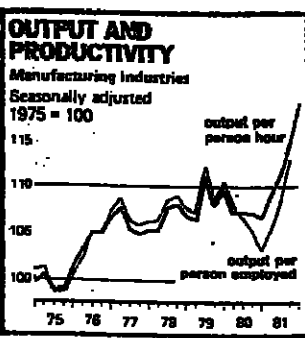
As jobs in manufacturing industry disappeared last year, the remaining employees worked much harder, producing a dramatic boost to productivity.

Output per person leaped 10.2 per cent between the last quarter of 1980 and the last quarter of 1981, according to the latest *Employment Gazette*, published by the Department of Employment.

The rise in productivity has been one of the few bright spots in manufacturing industry, where total output is still a long way below the 1979 peak and where 1½ million jobs have vanished in just over two years.

Government ministers have welcomed the big improvement in productivity as an indication that the labour shake-out is producing beneficial results, opening the way to more rapid economic expansion in the future.

The latest figures show that productivity continued to improve in the last three



months of 1981, increasing by a further 1 per cent. This was rather slower than the rate of productivity growth in the second and third quarters. Two measures are used.

One is output per person; the other is amount of output achieved by a person in one hour. The latter measure has increased a little more slowly than the former over the last year, increasing by 8.3 per cent (compared with 10.2 per cent).

This is because short-time working has been decreasing and overtime working has

been rising, leading to an increase in the average number of hours worked. Last year's improvement in productivity reflects the fact that the level of output stopped falling, but the number of jobs in manufacturing was still declining.

The productivity gains in 1981 more than reverse the decline that took place in the second half of 1979 and during 1980 when output was falling faster but jobs were vanishing even more rapidly.

Output per head is now 3½ per cent above its start of the recession peak while output per person per hour is 6½ per cent above its previous peak.

There is a good deal of argument amongst economists about whether this improvement represents just a sharp short-term recovery or the beginning of a long term trend.

The Treasury believes that it may be part of a long-term trend.

In the past, the initial gains in productivity that occurred when the economy turned up, soon tapered off.

## No sign of an end to US recession

From Bailey Morris

The United States index of leading economic indicators declined for the tenth consecutive month in February, giving no sign that the severe recession has ended.

The Commerce Department reported today that five of the nine indicators in the index last month were unfavourable and four favourable, resulting in an overall drop of 0.3 per cent.

A department economist said the February results were something of a mixed blessing, showing that the United States economy is still declining but is near the bottom.

Private Wall Street opinion forecast that the economy is likely to hit bottom with the March figures before beginning a modest climb. Continuing high interest rates continue to be the major uncertainty behind the recovery projections.

Commerce Department officials said the rate of

change in total liquid assets or spendable income was the most unfavourable February indicator.

Also contributing to the decline were lower stock prices, a drop in building permits after two months of increases and a continuing slide in the industrial sector which showed up in lower plant and equipment orders and crude material prices.

The favourable indicators last month included a slight increase in the money supply, increased manufacturing orders, a big drop in initial unemployment claims and slower sales performance.

A Commerce Department spokesman said declining indicators last month reflected continuing sluggishness in industrial production which accounts for one-third of the total United States economy and therefore exerts great influence on the index, considered the best signal of meaningful change in the economy.

## £20m boost for small companies

By Rupert Morris

The Government will pay a third of the cost of advanced machinery bought by small engineering companies under a scheme introduced yesterday by Mr John Macgregor, Under-Secretary of State for Industry.

In an effort to re-equip the recession-ravaged engineering industry, centred on the West Midlands, £20m has been set aside for one year.

Applications for grant under the Small Engineering Firms Investment Scheme are confined to firms employing fewer than 200 people, and wishing to buy machinery costing between £15,000 and £200,000.

Mr Macgregor emphasized yesterday that the level of grant was particularly generous in recognition of the plight of small engineering firms. He hoped it would also provide a boost for the British machine tool industry. Similar schemes operated successfully in France and West Germany, he said.

However, the group had been affected by the recession in the world airline business which had hit sales



Sir Austin Pearce: £50.5m launch costs for the new 146.

## British Aerospace profits hit by Laker Airways collapse

By Edward Townsend, Industrial correspondent

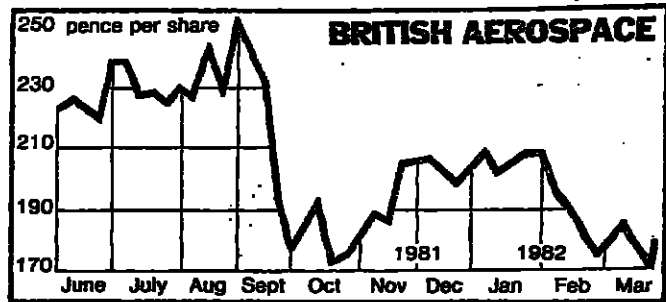
British Aerospace yesterday announced a pre-tax profit of £70.6m for last year, an increase of almost £18m on 1980, but warned that a further 2,000 job losses may be necessary this year.

Sir Austin Pearce, the chairman, disclosed that the company's profits were hit by a provision of £8m set up after the collapse of Laker Airways to cover BA's guarantees on the sale to Laker of three Airbus A300 aircraft.

British Aerospace and Aerospatiale of France, two of the partners in Airbus Industrie, agreed to accept a 25 per cent first loss guarantee on the sale of the aircraft, but Sir Austin said that if the Laker Airbus were sold at 90 per cent of their purchase price the loss would be reduced considerably.

The results, the first since the successful privatization of the group a year ago, show that sales last year increased by 17 per cent to £1,662m. Sir Austin said the company had two years' work in hand and further orders were imminent for the Hawk military trainer aircraft, the 748 feeder airliner and the Sea Harrier fighter.

However, the group had been affected by the recession in the world airline business which had hit sales



of civil aircraft and by a slowdown in military sales including the Tornado swing wing aircraft and some of the company's missiles. Because of the recession, the rate of build up of Airbus sales would be slower, Sir Austin said.

Sales of the new British Aerospace 146 feeder jet had been disappointing and airlines were being 'coy'. The 146 had generated 10 sales and 12 options and performance tests on noise levels and fuel efficiency had shown better than expected results.

Now we have got to sell it, the chairman said. British Aerospace now employs 79,000 at more than 20 plants and last week announced that 1,200 workers would be made redundant in the next 12 months, the bulk of them at present engaged in repair and maintenance work for the Royal Air Force. Sir Austin said yesterday that while no more redundancies were planned,

productivity needed to be improved and up to 2,000 jobs would be lost by natural wastage. British Aerospace has made total provisions of about £20m for 1981 which includes the losses on the Laker Airbus and covers redundancy payments for the current year.

The company said that after a thorough review of new civil aircraft projects it had decided to write off launching costs of £50.5m in 1981 covering design and development work on the 146, the Airbus and the new Jetstream turbo prop aircraft, with a further £100.5m carried forward. The British Aerospace trading profit for last year, before launch costs and interest was £95m, 3 per cent higher than the previous year.

The company is proposing a final dividend of 4.8p per 50p share.

Business Editor, page 15

## More ship orders go to Japan

By Peter Hill

Japanese shipyards claimed 71 per cent of all new orders placed with shipbuilding member countries of the Organization for Economic Cooperation and Development last year, securing slightly more than 10 million tonnes gross of the 14.1 million tonnes placed.

The Japanese share of orders has been a source of some bitterness among European shipbuilders for several years and has led to serious confrontations at meetings of the OECD's shipbuilding committee.

According to the latest figures, exports among members of the OECD fell by 6 per cent last year, with Japanese ship exports dropping by 16 per cent on year earlier levels.

Figures published yesterday by Lloyd's Register of Shipping showed that the total tonnage of merchant ships completed around the world last year rose by almost 4 million tonnes gross to 16.9 million tonnes.

## Banks fear tax credit changes

By Peter Wilson-Smith

The British Bankers' Association has written to Sir Geoffrey Howe, the Chancellor, expressing fears over proposed Budget changes on tax credits available on certain overseas loans.

Mr John Reynolds, chairman of the association's fiscal committee which met yesterday said: "These are changes which could destroy our competitive position."

He said there was no real reason to change the present system, but if it was changed, it was important to ensure that banks in Britain were not put at a disadvantage to overseas competitors.

At present, banks operating in the United Kingdom can in some cases claim tax credits against corporation tax as offsets against withholding tax abroad, even though the withholding tax may not be paid. The system, which arises under some double taxation treaties, enables banks to charge finer rates on loans in countries such as Malaysia, South Korea and Brazil.



John Macgregor: 'Generous'

Coming on top of existing grant schemes, the new arrangement would make it possible for a firm in a special development area to claim grants of up to 48 per cent with a maximum of £100,000.

The scheme was warmly welcomed by Mr Terry Duffy, Amalgamated Union of Engineering Workers president.

Col Robert Scott, director-general of the Engineering Industries Association, representing 4,500 small firms, said he hoped 20 per cent of eligible firms would apply, although even then he warned that many would not be able to raise the remaining capital.

## MINISTER FAVOURS PRIVATIZATION

## Technology centre may be sold

The Government is investigating the possibility of selling off its computer aided design centre at Cambridge despite expectations that government-funded centres would play a vital role in promoting new technology.

Mr Kenneth Baker, Minister of State for Industry and Information Technology outlined the Government's policy at the CAD conference in Brighton yesterday.

The decision to privatize the centre is based on the belief that the establishment could be run on a more commercial basis.

The minister said: "In 1969 the Government set up the centre to promote the use of CAD/CAM (computer aided manufacturing) techniques in British industry. Since then this has been successful in a number of key areas, notably in CAD for the process industries and computer-aided engineering for manufacturing. Given this success I think that the time is now right for Cadcentre to operate as a fully commercial organisation."

The centre costs £4m a year to run but generates nearly £2m from consultancy



Kenneth Baker: Success in key areas

work. Only six of the 150 staff at the centre are employed directly by the Government while the remainder are provided by ICL.

Although the Government has two schemes in progress with joint budgets of £15m to promote technology, the centre was expected to play a central role in advancing the science in the United Kingdom.

A report prepared two years ago for the Cabinet Office by the Advisory Committee for Applied Research and Development (ACARD) also indicated that the work of the centre in Cambridge would

play a big part in developing the technique for use in British industry.

The Government did not form a new centre but appointed Dr Paul Freeman as director of both the National Engineering Laboratory and Cadcentre.

The ACARD report highlighted the importance of the technology and its use in mechanical engineering, electrical engineering, electronics, aerospace, the chemical industry, marine engineering and the construction industry. The authors of the report were in no doubt that Britain lacked experience.

"While our survey was not exhaustive it is clear that at least some of this country's main competitors in export markets — notably West Germany, Japan and the United States — have substantial government-supported research, development and application programmes already in existence."

The ACARD report also emphasized that: "To keep its advice up-to-date the Department of Industry should maintain a close watch on developments overseas, if necessary by retaining specialist consultants for the task."

## Petition on Gill payoff amended

By David Johnston

Associated Communications Corporation shareholders were allowed by a High Court yesterday to amend their petition challenging the record £560,000 golden handshake proposed for Mr Jack Gill, the property and entertainment group's former managing director.

But Mr Justice Mervyn Davies disallowed a further five proposed amendments, claiming unauthorised extravagant living at the company's expense — after objections by the company and Mr Gill.

The shareholders, led by Postfund Nominees, the Post Office staff pension fund, were given until Monday to make acceptable substitutions for the deletions to the petition alleging that the company's affairs had been conducted in a manner unfairly prejudicial to them.

The judge also gave them leave to appeal his decision.

Mr Reg Pycroft, managing director of Jetsave, the East Grinstead tour operator, 85 per cent owned by ACC, said yesterday he would be persuaded by his proposal to buy back Jetsave as soon as possible.

## DOUBTS ON EEC LOANS

By George Clark

Witnesses from the British Bankers' Association told the Lords Committee on the European Communities yesterday that they doubted whether EEC lending facilities now really serve a useful purpose in the United Kingdom.

They pointed out that, since 1973, the European Investment Bank has made direct loans to the United Kingdom private sector of only £240m.

"Lending by the EIB is for a wider range of purposes, but is confined in general to projects in the assisted areas... and its potential market is likely to contract considerably through the redefinition of the assisted areas on August 1", the bankers said.

"It could contract still further if Devon, Cornwall and Humberside are excluded from the scope of the Community's regional development policy, as has been proposed."

The benefits of the Treasury exchange cover scheme had already been lessened by the narrowing differential between sterling interest rates and overseas rates.

## First National Securities Base rate

## First National Securities Limited announces that with effect from 1st April 1982 its base rate for lending will be reduced to 15½%.

First National Securities Ltd, First National House, College Road, Harrow, Middlesex HA1 1FB. Telephone: 01-861-1313.

## BRITISH AEROSPACE

## Results for 1981

Extract from preliminary announcement of results for 1981, based on audited accounts for the year to 31st December, 1981.

	1981	1980
	£m	£m
Sales	1662	1423
Trading profit	95	92
Launch costs written off	50	54
Net interest receivable	25	14
Profit before tax	71	53
Earnings per share (nil basis)	35.5p	33.5p
	£m	£m
Order book	3891	3497

The report and accounts for 1981 will be posted to shareholders before the end of April.

unequalled in its range of aerospace programmes

BRITISH AEROSPACE PUBLIC LIMITED COMPANY WYRBRIDGE, SURREY



## BUSINESS NEWS/COMPANIES AND MARKET REPORTS

## Reckitt and Colman shrugs off the recession

## Supplying the demand that never fades

Many company chairmen must wish they were in Sir James Cleminson's shoes. As chairman of Reckitt and Colman, where pretax profits rose from £53.2m to £66.35m for the year to last December, Sir James was able to say yesterday that Reckitt was not trading in depressed sectors of the economy. (Drew Johnston writes).

"Most of the groups products are of the kind people continue to buy even when times are difficult," he said.

The solid profits performance has been helped along by favourable currency movement. Excluding south America, reported profits in 1979 and 1980 went down by nearly £3m because of the relative strength of sterling. But last year, with sterling weakening against most other currencies, the pretax benefited by £1.82m.

Reckitt had fought to increase sales by spending more on marketing. This increased spending was found from cost savings

and increased production, and led to a 13.6 per cent total sales increase, up from £728m to £827m last year.

The United Kingdom performance contributed a good part of the profit increase in the year. Happily for the company, this coincided with a lower than average tax charge as a £12m capital expenditure programme, which included modernization and rebuilding of the plants at Hull and Norwich, helped to keep the tax bite down.

On a current cost basis, the profits before tax were up from £32.4m to £45.2m. This is 68 per cent of historical pretax profit, an increase on last year's proportion of 61 per cent. Current cost earnings attributable to ordinary shareholders of 15p a share give a cover slightly over 1.5 times on dividends. These have been increased for the year from 8.5p to 9.8 — 14p gross — and gives a yield of 4.7 per cent on yesterday's ordinary share price of around 256p.

This in turn gives the shares a fully taxed rating of around 11.8. Analysts are going for a pretax between £70m and £73 this year.

In North America, the food business increased sales and profits, again partly as a result of



Sir James Cleminson: solid performance

increased spending on marketing. But Sunset Designs, the needle-point business which made a first half loss of £1.25m is still losing money. Recession in its trading sector is said to be at the root of its profitability problem, but

changes in management during the year are expected to result in improvements. Generally, Reckitt is looking to move strongly into the household goods market in the United States, where it is now under-represented.

## APV dips but pays more

Engineering contractors positively boomed in the stock market last year, but with international interest rates being led steeply upwards by the United States, those days are history (Sally White writes). APV has kept up its dividend record of paying a little more yet again but the pretax profits are down from £18.6m to £16.4m.

Mr Harry Benson, APV's chairman warned at the half-way stage that no short-term British recovery was in sight and that in the United States, demand for capital goods was falling. Overseas profits were maintained at £10.6m but the profits at home were down by £2.2m for the year.

Outstanding performances from the South African companies give little excitement for 1982 prospects, as South African interest rates are on an upward trend, adding to the existing problems of the falling gold price.

APV is able to increase the dividend because of the strength of the cover — it remains at 2.8 times on an historic basis and is also covered on a CCA basis. The dividend payment is a final of 6.8p, making 9.6p against 9p; earnings per share are down from 40.49p to 37.27p.

Analysts seem to be going for £18m for the present year, which would make for a virtually unchanged rating

"Orders received in the first two months of 1982 show an improvement over 1981, but we do not expect any dramatic increase this year, Mr Benson says. "In the United Kingdom the prospects for sales to the brewery, marine and chemical industries remain depressed, but there are signs of improved business coming from our food and dairy customers".

Over the past couple of years APV has cut back staff in Britain by 25 per cent. Rationalization this year cost around £863,000.

Robert Maxwell's British Printing and Communication Corporation made a dawn raid on book printer and binder Richard Clay yesterday. Grievous, Grant (the broker he used for his dawn raid on BPC) failed to obtain the 14.99 per cent of the company it wanted, but did manage to buy 5.87 per cent.

Mr Maxwell's objective, according to the announcement, is merely to acquire the stake for investment purposes; he told Richard Clay the same, although the company was still understandably a little nervous immediately after the event.

The price offered was 65p ex-dividend but, given Clay's assets per share of 153p, there was competition in the market to buy any shares on offer, taking the price up to 67p. Only last week Clay announced figures that indicated it had turned the corner. There was a pre-tax loss of £945,000 for the year, after a profit of £581,000, but exceptional debits were £787,000, and the group is trading profitably this year.

## INTERNATIONAL



## JAPAN

Japan's steel exports fell 2.3 per cent in February from February 1981 to 2.2 million metric tons on a shipment basis. The decline continued a steady year-on-year fall for Japan's steel exports, hurt by weak economies abroad and increasing competition from rising steelmaking countries such as South Korea. In 1981, Japan's steel exports fell 4.4 per cent from 1980.

● Tokyo plans to promote cooperation with the United States in high-technology research to help ease trade friction. Under a plan drafted by the Ministry of International Trade and Industry, Japan would allow United States concerns to take part in government-backed projects.

● Production at Japan's mines and factories went up 3.3 per cent in February from a year before, mainly because of continuously strong output of electronic consumer products. The mining and industrial production index stood at 144.5 in the month (1975=100). The pace of increase, however, was a little slower than a revised 3.5 per cent in January.

## CANADA

Gulf Canada, a unit of Gulf Oil, will spend £7,000m over the next five years on capital projects and exploration.

● Measures to combat the mounting closures of Western Canadian oil wells were announced this week, by Mr Marc Lalonde, Energy Minister.

He was commenting on the anomaly that has arisen due to an unchanged oil import subsidy while import prices fall.

## WEST GERMANY

West German energy consumption will probably fall by around 1 per cent to around 370m tonnes of coal equivalent although gross domestic product is likely to expand by about 1 per cent in volume. Demand for oil products will probably decline less strongly than in the past two years.

## SOUTH KOREA

Spurred by domestic and overseas demands, South Korea's industrial production index, seasonally adjusted, rebounded in February to 238.5, up 2 per cent from January and up 8.3 per cent from a year ago.

## BOOKER MCCONNELL

## Payout up as profits recover

After a decline in profits at the half-way stage Booker McConnell, the diversified engineering, foods and shipping group, raised pretax profits by 14 per cent to £17.3m in the year to December, on turnover up from £84m to £933m.

Losses in the group's engineering division were cut from £1.3m to £900,000 and despite continuing problems at Fletcher and Stewart, Mr Michael Caine, chairman, said he expected to see the division back in profit this year. But the bulk of the group's £6m closure costs came from that division.

There has been a 20 per cent cut in the workforce of the engineering division from 4,500 to about 3,500, with a further 100 job losses shortly at Fletcher and Stewart.

A strong second half recovery in the shipping division after first half losses of £396,000 due largely to the

seamen's strike produced profits of £100,000 against £1.4m, although the recession in Caribbean trade continues to make the outlook uncertain.

The food distribution division benefited from past rationalization with profits up by 42 per cent to £5.96m despite depressed consumer demand while the agriculture division boosted profits by 52 per cent to £1.97m helped by the successes of the Ibec and Arbor Acres subsidiaries.

The final dividend is being raised from 2.66p gross to 3.02p, making an increase of 12 per cent to 4.97p for the year. Earnings per share were 10.2p against 9.48p.

Mr Caine said the group had been encouraged by the performance of a number of divisions and expected the improvement to continue in 1982. In addition to the closure and rationalization costs of £6m, there were above the line redundancy costs of £1.2m, against £846,000. Mr Caine did not rule out further cuts.

The extraordinary items included £1.22m in respect of deficits on disposal of investments, half of which was accounted for by the disposal of a former subsidiary in Malawi, in line with the

policy of curtailing its overseas trading activities.

Other divisions of the group increasing profits were health products, up from £2.89m to £2.98m, spirits and liqueurs, 9 per cent up at £3.5m, and authors (the group owns the royalty rights to Agatha Christie books, among others), up 19 per cent at £300,000.

The shares rose 4p to 70p, where they yield 6.6 per cent.

## DREAMLAND

## Fall into red

Depressed demand in Britain for electric blankets pushed Dreamland Electrical Appliances into the red last year despite a rise in exports.

The group, Europe's largest manufacturer of electric blankets, lost £252,000 before tax last year, compared with pretax profits the year before of £827,000. The final dividend has been passed, leaving the year's payment at 0.7p gross against 2.42p gross and the shares slipped 5p to 18p. Half-year losses were £793,000 and not unexpected because of the seasonal nature of sales.

Trade customers in the

United Kingdom remained reluctant to invest in out of season stocks because of high interest rates. The normal level of sales for the last quarter was not maintained as mild weather in October and November and falling expectations of a recovery in consumer demand took their toll. The severe weather in December, however, was too late to affect results and any upturn in demand was satisfied by trade stocks.

Exports now contribute 24 per cent of turnover and group sales in the period slumped to £8.9m from £11.24m. At the trading level profits were hit by higher interest charges and redundancy costs. The loss per share comes out at 1.37p against earnings of 6.7p last time.

Sales overseas grow steadily in The Netherlands, Belgium and South Africa. Italy is the next area for examination with stencil products to be made for a leading manufacturer. In Australia a licensing agreement is being pursued.

Dreamland believes that with the cost controls of the last 18 months, together with its brand leadership, a return to profits is not far off.

## BIDS AND DEALS

Contracts have been exchanged for the sale by Norfolk Capital a subsidiary of the Kensington Fairway Inn, London to the Rabheru Group of companies. The price is £1.2m cash on completion, which is to take place next month.

The Tootal Group is to sell 49.9 per cent of its equity holding in Bradmill Industries in Australia and

other Australian assets to a subsidiary of Bruck (Australia).

Brint Investments, 23.1 per cent controlled by Burnett and Hallamshire, is taking a share stake in Australia's Meskharra minerals, which owns coal reserves in South Australia's Arkaranga Basin.

Turriff, of Australia has purchased Value Engineering (WA) by a new company which will be a wholly-owned subsidiary of Turriff. The price will be based on average pre-tax profit of the Value

business for three years to June 30, 1983, and is about AS\$900,000 cash (about £530,000).

Value, with a head office in Perth, Western Australia, provides technical support services particularly in the mining, oil and chemical industries.

Mr John Biffen, the Trade Secretary, is not to refer the merger of British Steel and the Round Oak Steelworks to the Monopolies and Mergers Commission.

## LATEST RESULTS

Company	Sales	Profits	Earnings	Div	Pay	Year
Int or Fin	£m	£m	per share	pence	date	total
A P V (F)	293(282)	16.3(18.5)	37.27(40.49)	6.8(6.2)	19/5	9.6(9)
American Tel. (F)	—	3.32(3.13)	2.38(2.28)	1.5(1.4)	—	2.2(2.1)
Barnes Stone (F)	38,530(2)	2,654(359)	6,681(1,577)	0.9(0.8)	—	1.7(1.55)
C. H. Beecher (F)	18,112(5)	1,641(8)	—	2.7(2.4)	—	—
Booker McConnell (F)	933(834)	17,215(1)	10,219(48)	2.1(1.8)	—	3.5(3.12)
British Aero. (F)	1,662(1,423)	70,852(8)	36,533(5)	4.8(—)	—	7.8(—)
Cape Inds. (F)	216,321(17)	2,185(24)	7,167(73)	1.7(1.7)	—	5.8(1.2)
Cherwell (F)	0.85(0.69)	0.05(0.03)	0.15(0.24)	—	—	—
Desoutter (F)	24,882(23)	2,022(56)	—	3(3)	15/5	5.7(5.7)
James Dickie (F)	4,124(58)	0.02(0.087)	3.3(3)	1.5(1.5)	—	3.3(3.3)
Dreamland (F)	8,901(24)	0.25(0.85)	1.37(68.76)	—	—	0.8(1.7)
Ennes (F)	1,781(35)	1,600(18)	10,841(62)	3(2.75)	—	—
Ferry Pickering (F)	4,314(33)	0.68(0.55)	3.3(3.3)	0.9(0.9)	—	—
Grimston Holdings (F)	58,364(7)	1,041(44)	7,201(24)	3(3)	—	4.5(4.5)
Home Counties (F)	10,581(10.57)	0.045(0.4)	0.77(7.47)	3.2(4.7)	—	5(5.5)
Kleinwort Benson (F)	—	21,842(2.8)	39.95(—)	7(6)	25/5	10(9)
Lambert Howarth (F)	16,116(59)	0.82(0.41)	14.5(16.1)	3.6(3.6)	—	4.7(4.66)
A. & J. Oulick (F)	70,681(1)	0.043(0.17)	—	0.8(0.8)	—	1.4(1.14)
Reckitt & Colman (F)	827(1728)	68,353(1)	31,121(74)	6(5)	8/7	9.8(8.5)
Rohan Group (F)	29,772(25.7)	4,023(71)	46,524(5.7)	6.2(5.7)	—	11.5(10.5)
Sprax-Sargo (F)	42,841(74)	7,356(21)	—	—	—	4.7(4.4)
Standard Chartered (F)	—	260(232)	156,112(5.8)	23(20.5)	26/5	37(32.5)
Sherrill Credit (F)	—	0.71(48bc)	0.27(10.58bc)	—	—	—
Wolstenholme Rink (F)	15.9(14.66)	1.31(1.13)	17.3(18.2)	3.7(3.2)	—	6.2(5.7)

Dividends in this table are shown net of tax on dividend per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.426. Profits are shown pretax and earnings are net. a=Adjusted for scrip issues, b=Loss, c=For 9 months, d=After tax.



## Schroders

The Earl of Airlie, Chairman of Schroders plc, reports on 1981.

The disclosed consolidated profit after taxation of the Group increased by 78 per cent to a record £14,714,000, compared with £8,230,000 in 1980. This result includes capital profits of £6,684,000, realised mainly by our investment holding companies. The Directors are recommending the payment of a final dividend of 10.5p per share which, together with the payment made last October, makes a total of 13.5p per share, representing an increase of 28 per cent over 1980.

Consolidated profits of J. Henry Schroder Wagg & Co. Limited and its subsidiaries were again higher than those for the previous year. The banking division had an active year despite the adverse economic environment and the volatility of interest and exchange rates throughout the period. In the investment division funds under management again increased. The corporate finance division enjoyed a high level of activity in both the domestic and international markets and acted for an encouraging number of new clients. Schroder Leasing Limited attracted a satisfactory level of new business despite an extremely competitive market and again made a significant contribution to Group profits. Schroder Life Assurance Limited has continued to expand its business vigorously and in the light of this its capital has been increased to £4 million.

Profits of our United States companies reached a record level. An increase in net interest earnings, together with substantial growth in fee and commission income and in trust revenue, more than counterbalanced modest losses on securities trading and investment management, lower foreign exchange dealing profits and higher operating costs. The improvement in net interest earnings was achieved despite a decision early in the year to limit loan growth in view of the uncertain economic environment. Corporate finance and investment banking activities expanded significantly.

J. Henry Schroder Bank A.G. in Zurich continued to make a material contribution to Group profits and its banking and investment divisions both expanded their business.

In Australia the Schroder Darling Group earned record profits in its financial year ended 30th June 1981, but owing to difficult market conditions earnings during the six months to 31st December, 1981 were materially lower than those for the corresponding period of the previous year.

In the Far East we increased our shareholding in Singapore International Merchant Bankers Limited to 49 per cent and both this company and Schroders & Chartered Limited in Hong Kong achieved record earnings.

We are maintaining our activities in Latin America at a level consistent with prudent and profitable operations and our Brazilian associate enjoyed a particularly good year. A further increase in profit was recorded by our Middle East interests.

While some progress has been made in the battle against inflation, the adverse effects of recession are becoming increasingly severe and there is a clear need for a material reduction in interest rates in order to restore business confidence. So long as the United States continues to pursue its present tight monetary policy, combined with large budget deficits, this will be all the more difficult to achieve and in these circumstances nervous and volatile conditions will remain a feature of financial markets.

Against this unsettled background the banking system has continued to suffer from an excess of liquidity and low interest margins despite the clearly worsening financial position of a number of major borrowers. In the light of this we have been pursuing a policy of increasing the proportion of our capital resources devoted to portfolio investment. Some of the results of this policy can be seen in this year's figures which include substantial capital profits made by our investment holding companies. It is our intention to continue this policy though it would be imprudent to expect profits of this order of magnitude to be repeated regularly in future years.

It is most gratifying that in a year that has been difficult for almost everybody we have achieved record profits not only at Group level, but also in each of the principal areas of our business. This underlines once again the dedication and skills of the team that we have assembled around the world.

Group Companies, Associates and Representative Offices in: Argentina, Australia, Bermuda, Brazil, Canada, Cayman Islands, Colombia, France, Germany, Hong Kong, Japan, Lebanon, Saudi Arabia, Singapore, Switzerland, United Kingdom and United States of America.

If you would like a copy of the Report and Accounts, please write to: The Secretary, Schroders plc, 120 Cheapside, London EC2V 6DS.

"A year of vigorous development for the group"

Neil Mills, Chairman

Year ended 31 December	1981	1980
Revenue	£168.8m	£135.1m
Profit before tax and extraordinary items	£56.4m	£41.6m
Earnings for the year	£30.0m	£20.9m
Earnings per ordinary share	13.4p	10.1p
Dividends per ordinary share	6.0p	5.0p



Sedgwick

International Insurance and Reinsurance Brokers

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BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Four out to net recruit

More than four firms of head-hunters are travelling for a successor to Ronnie Punt, managing director and chief executive of Harland and Wolff, the state-owned shipbuilders which is desperate for orders. Punt, who joined the company almost 25 years ago, plans to retire at the end of May. He has been managing director during the past two years, a period since 1975. Word is that the Harland and Wolff board would like to recruit a chairman and two directors, one from the north and one from the south, to replace Punt. The board is also looking for a managing director, preferably a former Harland and Wolff executive, to take over Punt's duties.

Such a specification may prove hard to match, but two Ulstermen presently occupy senior positions in the board. They are John Parker, and Eric Macle, who has been in the company since 1957.

Production at Harland and Wolff's shipyards in Belfast and Glasgow is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

ANADA

Canada's unit of oil, which is sold to the United States, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

WEST GERMANY

Germany's unit of oil, which is sold to the United States, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

SOUTH KOREA

South Korea's unit of oil, which is sold to the United States, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

CLIFFORD WEBB

Clifford Webb, a prominent figure in the oil industry, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

ENDING THE CAR PRICE CHAOS

Ending the car price chaos, a major initiative by the government, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

BUSY ALAN TO WIDEN FRONTIERS

Alan McIntock, a prominent figure in the oil industry, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

NEW APPOINTMENTS

New appointments, a major initiative by the government, is expected to rise by 10 per cent in 1982. The company is also planning to expand its operations in the United States and Canada.

THE US PRESIDENT IS SHORT OF ALLIES IN HIS FIGHT OVER THE BUDGET

Caroline Atkinson reports

Will Reagan have to compromise?

Washington. American economic policy is in a state of flux. Congress will not accept the budget President Reagan has proposed. The House of Representatives, which must also approve the budget legislation, is mostly content to wait for the Republican Party to take the lead. Although there is much talk about the need for a bi-partisan approach to the economy's problems, the Democrats do not want to agree to potentially unpopular measures to reduce the deficit unless they are quite sure that Mr Reagan will support them and be seen by voters to be doing so. The President's sweeping congressional victories last year, when the Democrats did want to compromise, still rankle.

While this stalemate persists, the projections of government borrowing get larger almost every week. Three factors are pushing them higher. First, the President's spending and revenue estimates were based on optimistic assumptions about the growth in the economy and the level of interest rates that would be consistent with the tight monetary policy of the Federal Reserve Board (FRB). As the economy has remained sluggish and falling inflation has eaten away at the automatic increase in tax revenues, the Federal Government's projected receipts must be revised downwards. Meanwhile, higher than expected interest rates and increased spending on unemployment and other income support programmes raise expenditure.

Second, the White House has in many cases underestimated the actual cost of the programmes which it proposes, according to the Congressional Budget Office (CBO). Even if Congress enacted all the further cuts in domestic spending programmes which Mr Reagan has requested and the economy behaved next year as he predicts, the deficit in the year from October would be \$116,600m (\$55,500m), the CBO says, rather than the \$91,500m originally forecast by the President. David Stockman, the Budget Director, recently admitted that dearer farm price supports could add \$5,000m to the original deficit figures included in the President's budget. And it now appears that the bill for Mr Reagan's defence programme will also come out at considerably more than the White House estimates.

Third, the President's budget includes domestic spending cuts which even Republicans are unwilling to enact in an election year and

which must also be approved by the House of Representatives. The House of Representatives, which must also approve the budget legislation, is mostly content to wait for the Republican Party to take the lead. Although there is much talk about the need for a bi-partisan approach to the economy's problems, the Democrats do not want to agree to potentially unpopular measures to reduce the deficit unless they are quite sure that Mr Reagan will support them and be seen by voters to be doing so. The President's sweeping congressional victories last year, when the Democrats did want to compromise, still rankle.

While this stalemate persists, the projections of government borrowing get larger almost every week. Three factors are pushing them higher. First, the President's spending and revenue estimates were based on optimistic assumptions about the growth in the economy and the level of interest rates that would be consistent with the tight monetary policy of the Federal Reserve Board (FRB). As the economy has remained sluggish and falling inflation has eaten away at the automatic increase in tax revenues, the Federal Government's projected receipts must be revised downwards. Meanwhile, higher than expected interest rates and increased spending on unemployment and other income support programmes raise expenditure.

Second, the White House has in many cases underestimated the actual cost of the programmes which it proposes, according to the Congressional Budget Office (CBO). Even if Congress enacted all the further cuts in domestic spending programmes which Mr Reagan has requested and the economy behaved next year as he predicts, the deficit in the year from October would be \$116,600m (\$55,500m), the CBO says, rather than the \$91,500m originally forecast by the President. David Stockman, the Budget Director, recently admitted that dearer farm price supports could add \$5,000m to the original deficit figures included in the President's budget. And it now appears that the bill for Mr Reagan's defence programme will also come out at considerably more than the White House estimates.

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What concerns economists about Mr Reagan's tax and spending policies is not this year's government deficit, not the next instalment of income tax cuts due in July but the prospect of ever widening federal deficits in the future.

assumes major savings which are unlikely to materialise from what the White House terms "management initiatives," such as the sale of some federal land and increased sales of off-shore oil leases.

While Congress is doing nothing about the overall budget decisions, individual congressional committees are already working on details of spending, legislation and largely ignoring Mr Reagan's proposals.

The budget runs on two tracks in Congress: budget committees in both houses set overall targets for spending, tax and the deficit which must be approved by Congress. The next instalment of income tax cuts due in July but the prospect of ever widening federal deficits in the future. Even if Congress were to approve the further deep cuts in domestic spending programmes included in the President's budget, the economy and the economy recovery.

separate occasions by the whole Senate and House of Representatives, often may not match the targets set by the budget committees and also agreed to by the whole of Congress.

Last year, Mr Reagan persuaded Congress to use a special parliamentary procedure, called reconciliation, to force individual spending committees to hold spending limits set out by the budget committees.

However, that annoyed many of the committee chairmen whose power was drastically curtailed and it is unlikely to be repeated this year. The President's fiscal policies thus favour the defence sector and private consumption by middle and upper groups, at the expense of public and private investment and consumption by the poor and lower income groups.

Moreover, the economic stimulus from continued large budget deficits will be undercut by the extremely restrictive stance of the FRB. Although Mr Reagan officially supports the tight monetary policy, his own proposals for spending and taxes are in basic conflict with it. Cutting the budget deficit will not stimulate the American economy but if accompanied by easier money it would lead to lower interest rates and more balanced growth.

While budget policy makers fumble, those running monetary policy are also running the American economy.

covers, government borrowing needs would go on growing steadily each year for the foreseeable future, according to the CNO.

When coupled with the restrictive monetary policy pursued by the FRB, these deficits will tend to keep interest rates high.

While not high by European or Japanese standards, the deficits of 5 per cent or so of Gross National Product (GNP) that the CBO and other private forecasters believe Mr Reagan's policies will lead to by the middle of the decade, are high by American standards and in relation to the volume of private saving.

Former economic adviser to President Carter, Mr Charles Schultze, calculates that even if Congress takes some action to reduce government borrowing, only 13 per cent of GNP will be available for private investment by 1985. This is way below the average for pre-war years. Moreover, the deficits that are being funded are not going to support government spending on public investment. Indeed, Mr Reagan proposes that such spending at the federal level should be reduced.

State and local government finances are being squeezed by the President's budget cuts, and the high interest rate cost for them of floating bonds to cover capital investment means that this will be under pressure at local level too.

Despite Mr Reagan's rhetoric against public spending, the share of GNP taken by total federal spending — both defence and non-defence — is unlikely to fall much from last year's 23 per cent, the CBO calculates.

The prospective deficits come as a result of a sharp decline in taxation, which will be partly offset by increased defence and other spending. The share of GNP going in federal tax will shrink from 21.1 per cent last year to about 18.3 per cent in 1985 and 17.7 per cent in 1987, again according to CBO estimates.

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While budget policy makers fumble, those running monetary policy are also running the American economy.

Business Editor  
Standard pauses to rethink

A £234m surplus thrown up by a property revaluation and the year's retained profits have boosted Standard Chartered's net assets to nearly £12 a share. But the gap between this and the market price of 664p gives some indication of uncertainty felt over what Standard Chartered plans to do in the wake of its abortive merger plans with Royal Bank of Scotland.

A sterling deposit base for a bank with truly international aspirations remains as desirable as ever but it is clear that the opportunities for Standard Chartered are limited in the United Kingdom. For the time being, the bank is concentrating on more modest options to the Royal Bank merger, including the expansion of its consumer finance side, Chartered Trust.

Meanwhile, the 1981 results showing an increase in pre-tax profits from £233m to £260m look decidedly less exciting when a £16m currency translation profit is excluded. In the United Kingdom, foreign exchange and Eurocurrency lending have both done well, as has instalment credit — although bad debts were well up here.

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The dividend is being raised by 14 per cent to give a yield of 8 per cent.

Brit. Aerospace A320 funding

Sir Austin Pearce chairman of newly-denationalised British Aerospace, could scarcely conceal his annoyance yesterday at Government delays in approving launch aid for the company's share in the proposed A320 150-seater European Airbus.

It has already taken him a year to wring out of Whitehall agreement in principle to back further British involvement in the consortium, and he fears it will be mid-summer before he knows the amount.

The sums involved are considerable. A 20 per cent share in the A320, which means the company making the wings, could cost £400m but if the Government agrees to Sir Austin's hope of winning 30 per cent, which includes the front end of the aircraft, the figure shoots to £600m.

Sir Austin was not saying how much launch aid he was seeking. The trouble, said Sir Austin, was that the A320 was five or six years early. By 1985 BAE would not be asking for Government aid because the hoped-for profits from the existing Airbus, the A300 and A310, would be flowing into the partners' coffers.

BAE's 1981 results show that £50.5m of launching costs were written off "and we cannot take any more", said Sir Austin. The French industry, a leading member of Airbus Industrie, received a 30 per cent "down payment" on all projects "and if the Government does not put us on a comparable basis we are on a hiding to nothing".

BAE's current frustrations are against a background of the continuing slump in the world airline business and uncertainties over defence spending. And despite the two-year order book and 17 per cent rise in sales last year, the City's initial euphoria over the BAE share sale a year ago has diminished. Since hitting a peak of 252p in the middle of 1981, the shares have dipped to 171p.

The liberal line adopted by the big German banks in writing down East European debt might have been expected to dent their 1981 performance. But in the event, Deutsche Bank and Commerzbank appear to have turned the corner with even Commerzbank hoping to pay a dividend this year after lapsing in 1979 and 1980. Dresdner fared worse with net profits 10 per cent down at DM139m and the dividend cut from DM6 to DM4.

There are three main reasons for the tentative improvement. First, a proportion of loans at fixed interest rates are reaching maturity. German banks have a higher proportion of fixed rate lending than their British brethren and high interest rates have been squeezing financing costs over the past two years.

Second, interest rate margins widened last year and have continued to do so in 1982. And third, provisions against industrial collapses have declined. In the case of Commerzbank, the 1981 provision against AEG fell from DM38m to DM15m.

Ending the car price chaos

Ford of Britain's decision to cut its car prices by nearly 10 per cent would seem to have far-reaching implications for the whole of the British motor industry. As the market leader Ford has long set the benchmark for car prices across a wide range of models. Surely its rivals will have to follow suit if they are to remain competitive.

In fact, Ford's new prices are close to the actual prices which its customers are already paying, thanks to the extensive discounting it has encouraged by paying big bonuses to dealers for beating factory sales targets. This has led some commentators to suggest that Monday's announcement was little more than a formal acknowledgment of an existing situation.

Nothing could be further from the truth. Ford has not been alone in its discounting. For the past 18 months the cut-price war has been so intense that every firm selling cars has been forced to reduce profit margins and encourage dealers to do likewise to keep stocks moving.

The net result is probably the most chaotic pricing structure for many years and one which manufacturers and dealers would like to see ended as soon as possible. Ford's bold action will go a long way towards restoring at least a measure of much needed stability by forcing other manufacturers to announce retail price in line with what their cars are already fetching in the market place.

BL will not be one of them. It is adamant that it will not follow Ford's price-cutting and points out that in the past year Ford has increased its prices by an average of 15 per cent while its own went up by only 10 per cent. As a result of this overpricing Ford is over-diverse and this is its way of clearing that stock, said a BL sales executive after the Ford announcement. We stopped discounting last year except in the case of models which are being cleared to

make way for replacements. Ford has got itself into a real mess with discounting and only something as dramatic as pricecutting will sort that out.

And BL should know. In the winter of 1980-1 it was itself heavily criticised for offering big bonuses to dealers for beating sales targets. But now, while its rivals claimed were mainly responsible for the discounting which has continued ever since.

Mr Sam Toy, chairman of Ford of Britain, insists that financial trouble every penny was needed back in Detroit. Now it appears to be suggesting that mounting pressure for British prices to be brought into line with the continent is disrupting UK sales by inducing motorists to stray out of the market while they assess the benefits of buying in Europe. The number of Fords imported from Europe rose sharply from 17 in January, 1981 to 300 in December. But in annual terms that is only

3,600 even at the higher rate — a drop in the ocean. In any event it has the remedy in its own hands and is already practising it albeit surreptitiously to avoid policies of the EEC. Community rules forbid manufacturers to erect barriers between one market and another to protect prices. But in practice every order for a right-hand drive car placed in Europe now comes under scrutiny from the area sales office and surprise, surprise, the delivery times being quoted are getting longer by the month.

Nearly half the 459,000 Fords sold in Britain last year were imported from its European factories. A similar situation applies with Vauxhall and Talbot UK. In a pinch they can use the bigger profit margins available from their continental made cars to reduce British prices.

But BL is the odd man out. With the exception of the Honda-designed and part-

built Japanese Triumph Acclaim the whole of the state controlled British car range is home produced. Enormous improvements have been made in productivity at Longbridge, bringing it in line with European standards. Profit margins at Longbridge's best-selling Metro are today healthy enough to stand cuts. But Metro is only the tip of BL's long awaited new car programme and it needs every penny of Metro profits to continue winning government finance for the remainder of the programme.

One of the areas hardest hit by Ford's action could be the second hand car market. Of those most dependent on Ford's dealer network on Sunday when the cuts were announced, pointed to the car park filled with dealers' own Granadas and announced: "I calculate that lot have lost £1.5m in depreciation at the stroke of a pen."

A Midland distributor handling a range of makes including Ford, said last night: "Used car prices will fall drastically. We like it or not Ford's price cuts will re-align prices at a much lower level. There will be a rush by the trade to reduce stocks and that in itself could lead to some panic selling. No one will want to be caught with stocks that he has had on his hands for more than a few weeks."

But some dealers disagree. They suggest that used car prices are already determined by the level of discounted new car prices and not published retail prices. The acknowledged authority on used car prices is the trade publication Glass's Guide. Yesterday its offices were inundated with calls from dealers wanting guidance on the effects of Ford's action. Mr Michael Lacey, a Glass's director, said: "A price-cut by the market leader can only result in a downward realignment of used car prices. But we shall have to wait for a week or 10 days before the picture becomes clear. Already people are becoming anxious about their stocks, but in today's turmoil — you can count the number of buyers on one hand."

Ford Fleet 1.1L £4,182		old price
Austin Metro 1.5L £4,025		£4,200
Renault 5 GT £4,048		
Honda Civic 1.3 £3,945		
Ford Escort 1.1L £4,298		old price
VW Golf £4,108		£4,475
Dezang Sunny 1.2L £3,748		
Talbot Horizon 1.1L £4,098		
Austin Ambassador 1.7L £5,105		old price
Vauxhall Cavalier 1.5L £5,153		£5,105
Ford Granada 2.3L £5,948		old price
Vauxhall Cavalier £7,031		£7,915
Peugeot 505 GT £7,900		

HOW THEY COMPARE



Alan McIntock... tradition

Alan McIntock has been appointed senior partner of the 105-year-old firm of chartered accountants Thomson McIntock & Co., the British member of Amsterdam-based Klynveld Main Goerdeler.

A grandson of the founder, and the only remaining member of the Scots family among the 138 partners, Mr McIntock succeeds James McNair, who is retiring.

Mr McIntock, 56, and a "very amateur" musician, intends to play no radical variations on the McNair theme.

# APV HOLDINGS PLC

## Extracts from the Chairman's Statement

- Ordinary dividend increased for fifteenth successive year.
- Overseas profits maintained at £10.6m but recession hits UK profits.
- Orders of £294m maintained at same level as previous year.
- Borrowings contained — debt/equity ratio reduced from 26% to 22%.

SALIENT FIGURES		1981	1980
Sales		£293,000	£282,000
Profit before tax		16,400	18,560
Earnings per share		37.26p	40.49p
Ordinary dividends		9.6p	9.0p

The APV Group operate as process engineers, plant manufacturers, fabricators and steelfounders to the dairy, food, brewery, chemical, petroleum and marine industries throughout the world.

The A.G.M. will be held on 18th May at the Institute of Directors, 116 Pall Mall, London SW1.

Copies of the Report and Accounts will be available after 23rd April 1982 from the Secretary, APV Holdings PLC, P.O. Box 4, Crawley, West Sussex RH10 2QB.







The industrial division... which includes... activities, saw trading profits... to £945,000 compared... with £1.9m last year. But the consumer division... in 1980 returned... with £865,000 compared... with profits of £533,000.

## Winter ills

Numbers Stores, the clothing... and manufacturer... the extreme winter... the recession in profits... Pre-tax profits fell... compared with £4.4m... to £3.5m. At the... level profits were down... against £1.5m. Proper... added £1.3m, but... charges at a similar... of £1.1m knocked profits... down.

The profit of... National Bank, reported... £24.35m for all of last... an increase of \$11,000... the previous year. British... are likely to be... with some £18m... from work... in 1981 an incorrect... of £14m worth of work... mentioned.

## Base Lending Rates

Base Lending Rates... Counter Market... Chartered... SULTS

## YACHTING

## French crew do without any food and water

By Barry Pickthall

While the Kiwi crew from Ceramco, New Zealand, were celebrating their handicap victory over the French crew in the Whitbread Round the World Yacht Race, the French crew aboard Charles Heidrick III were battling to finish ahead of the 4th on the final 500-mile stretch to the finish line. The French crew, led by Yves Le Berre, were struggling to make the 27,000-mile mark.

Despite running 210 miles on Monday, averaging 8.7 knots, almost a knot faster than the 8th place boat, the French crew were still 100 miles behind the 4th place boat. The French crew were struggling to make the 27,000-mile mark.

After running into calm seas close to the Azores, where the French crew had been told to expect a strong northerly wind, they were still 100 miles behind the 4th place boat.

In making that sacrifice, it now appears that Gaby seriously miscalculated the extent of the calm seas that were to interrupt Heidrick's passage past the Azores. He reported to his sponsors yesterday that he had

## Sentimental return of Gallic charmer who took America by storm

Catherine Lacoste, still proving it is the game, not the trophies, that count

In a recent issue of the American magazine *Golf Digest*, Gene Sarazen selected the leading 10 golfers, men and women, of all time. One name, gratifyingly, was on the list: the Frenchman, who was underpinned by the European support of Catherine Lacoste, once of Paris, now settled in Madrid. It is an aberration on the part of Sarazen, or a recognition that her career was too short at the highest level for full evaluation.

Meeting her at the Berkeley during the recent Avon Watches tour, she is now Catherine Lacoste de Prado and the 37-year-old mother of four children, aged from 11 down to two. Between 1971 and 1980 she also suffered two miscarriages, so that her career was virtually ended in 1970. By then she had acquired enough trophies to satisfy the most egotistical pot-hunter, but from time to time she reappears, for the love of the game, and a sentimental return to the Berks after an interval of 15 years was deeply appreciated.



Catherine Lacoste: for the love of the game

less English, encouraged apparently by the fact that her children attend the English school in Madrid. What her mother had correctly divined was that a release from the strain of the British championship would strengthen her reserves for more demanding American test a week or two later.

It was widely reported at the time that the American women had behaved badly in the face of defeat at the hands of a young, foreign, amateur upstart. Catherine Lacoste, still proving it is the game, not the trophies, that count

## Training centre 'best in Europe'

By Norman Fox, Sports Correspondent

Britain's melancholy record of providing indoor facilities for improving standards in sport was significantly improved yesterday by the opening of the Law Tennis Association's National Training Centre at Bisham Abbey, Paul Hutchings, the national manager, described the centre as 'the best in Europe'.

The Smith Report of 1980 identified many of the problems facing British tennis, but made it clear that players of high potential could not be expected to succeed unless they were provided with indoor facilities to match those found on the Continent. As a result the Sports Council have co-operated with the LTA in providing four 'Supreme Courts' in what was the £2.5m general sports 'workshop' at Bisham.

With a new outdoor artificial surface recently opened for football and other sports, the workshop has been adapted to allow exclusive use for tennis at agreed periods. The LTA have contributed £50,000 of the £150,000 required to build the workshop. Mr Hutchings said the facilities would be particularly important in the training of junior competitors. He also felt the LTA's involvement would include

the relationship between the sport's governing body and the players. The centre has medical and gymnasium facilities and six outdoor floodlit courts.

The 74 x 37 metres workshop can be used for tournaments and the evenings by the local community. Dick Jeeps, chairman of the Sports Council, who opened the centre, said it would provide the foundations for the future of British tennis, and Jim Cochrane, President of the LTA, said it was the realisation of a dream.

The former Davis Cup player, John Clifton, and his wife, Margy, will run the centre. Mr Clifton's appointment as National Training Centre Organiser, is for a three year period.

Athletes is also in need of an indoor competition site to complement the isolated facilities at Gosford. The Greater London Council and the Sports Council recently carried out a feasibility study into providing a 'major indoor sports arena' but as yet there are no firm plans. The Sports Council has offered the Empire Pool at Wembley, but a site in the Docklands is also among the nine potential locations.

Winter tour abolished as Avon pull out

New York, March 30.—The 12-week women's indoor winter tennis tour is to be eliminated under a new, year-long schedule proposed by the Women's Tennis Association. Jerry Diamond, executive director of the WTA, said the aim was to reduce the number of big tournaments and make the game easier to follow.

He did not give any reason for Avon's decision to pull out of the tour. The decision came a day after Sylvia Hanika defeated

Martina Navratilova in the final of the indoor circuit championship, which she had featured in the eight leading points winners on the circuit. Miss Navratilova was the only entrant among the world's top-ranked six players.

Pecci pulls out

Zurich, March 30.—The fourth seed, Victor Pecci of Paraguay, has pulled out of the World Championship Tennis (WCT) tournament here, organisers said today. They said he gave no reason and will be fined \$3,000.

GOLF

STOCK EXCHANGE: Non US listed securities: 1. P. 500 Index: 2,714.14, +1.14. 2. C. 500 Index: 1,416.32, +1.14. 3. W. 500 Index: 1,416.32, +1.14. 4. S. 500 Index: 1,416.32, +1.14. 5. D. 500 Index: 1,416.32, +1.14. 6. E. 500 Index: 1,416.32, +1.14. 7. F. 500 Index: 1,416.32, +1.14. 8. G. 500 Index: 1,416.32, +1.14. 9. H. 500 Index: 1,416.32, +1.14. 10. I. 500 Index: 1,416.32, +1.14. 11. J. 500 Index: 1,416.32, +1.14. 12. K. 500 Index: 1,416.32, +1.14. 13. L. 500 Index: 1,416.32, +1.14. 14. M. 500 Index: 1,416.32, +1.14. 15. N. 500 Index: 1,416.32, +1.14. 16. O. 500 Index: 1,416.32, +1.14. 17. P. 500 Index: 1,416.32, +1.14. 18. Q. 500 Index: 1,416.32, +1.14. 19. R. 500 Index: 1,416.32, +1.14. 20. S. 500 Index: 1,416.32, +1.14. 21. T. 500 Index: 1,416.32, +1.14. 22. U. 500 Index: 1,416.32, +1.14. 23. V. 500 Index: 1,416.32, +1.14. 24. W. 500 Index: 1,416.32, +1.14. 25. X. 500 Index: 1,416.32, +1.14. 26. Y. 500 Index: 1,416.32, +1.14. 27. Z. 500 Index: 1,416.32, +1.14. 28. 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Salary up to £8,000

Greenford, Middlesex

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## Strictly Confidential

That's the sort of work you handle as Personnel Secretary at the Observer. So we're looking for someone who, in addition to good shorthand and typing, can maintain total confidentiality and display a good deal of tact.

Some previous experience in personnel work would be useful, as you'll be providing back-up to the Personnel Assistant on general personnel administration, as well as providing a complete secretarial service for the Personnel and Business Manager.

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Find out more by contacting: David Benaim, Personnel Department, The Observer, 5 St. Andrew's Hill, London, EC4V 3JA. Tel: 01-336 0202 ext. 2566. (no agencies).

## THE OBSERVER

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Abber Unit Trust Managers (a subsidiary of Abber Life Group) is currently undertaking a major development programme involving the re-organisation and extension of its Unit Trust activities.

Due to promotion of the present post holder we need a highly competent Secretary with at least two years experience at a senior level, preferably in a financial environment.

Exceptional shorthand and typing skills are required and we expect you to be qualified to RSA 11 level.

Benefits include an attractive salary, free travel warrant after one month, non-contributory pension plan and mortgage subsidy plan.

Initial typewritten applications should be sent to: Angela Sammons, Abber Unit Trust Managers Ltd., 1-3 St. Paul's Churchyard, London EC4M 6AR. Telephone 01-236 1553.

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The Group Solicitor/Company Secretary of a substantial public company with a small friendly office near the Law Courts requires an intelligent and capable Secretary.

The office relies heavily on integrated word processing facilities, so a logical mind with an aptitude for, and interest in, these techniques is desirable. Training will be provided. Both audio and shorthand work is involved with legal evidence being helpful but not essential.

Excellent long term prospects and rewards are offered to the applicant with a reliable and sound background.

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Telephone Jan on 01-438 2825.

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**£5500-£6500 AGE 20's**

We are a small City based high level Management Consultancy and part of a large international insurance group.

We are looking for someone to take charge of day to day administration, including preparation of monthly invoices. You will report to the Managing Director, but must be able to manage your own work flow.

To qualify for the position you should have good typing; be educated to 'A' level standard; be numerate; be able to work as part of a small team. Previous experience in a purely administrative role is not essential.

For further information, and to apply, please phone Sarah Smith, B.D.C. (International) Ltd. 01-488 0155

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For high powered Public Relations. Chief. You'll be dealing with clients from the entertainment world so you'll need to be smart, sophisticated and able to cope with artistic temperament. £7,000.

**SRN/SCM SECRETARY**

This busy Harley Street Administrator Secretary with a talent for dealing with people.

A newly trained person with the right personality could be considered. Typing 60 wpm; shorthand helpful. Salary very generous Age 25-35.

**Angela Mortimer Ltd**

Recruitment Consultants

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**£7,000+**

Secretary required for Director of Knightsbridge based property company. Excellent shorthand/typing and an aptitude for figures are vital. Only a person with previous experience at director level need apply.

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Can you motivate and supervise staff?

If you can, and wish to earn a top hourly rate, Office Overland would like to hear from you as we are looking for a supervisor for a long-term assignment commencing mid-April in S.E.C.

Pay will experience an above average rate of £10.50 per hour. We are now for more details.

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**PROPERTY SEC**

For friendly international estate/property on in Marble Arch. Working for the director of accounts you will be dealing at top executive level, good computer, and outgoing team member is required. Specialised knowledge, L.V.s, light loan services and social skills are essential. Ring Jan 253 3162.

**JOHN MURRAY ASSOCIATES**

Recruitment Consultants

**MAYFAIR ESTATE AGENTS**

require BRIGHT CO-HEAD NEGOTIATOR

for small friendly firm. Previous sales experience preferred. Age 21+. Ring Phillips & Company, 437 7546.

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are looking for an administrative/research assistant to carry out research, edit catalogues and P.R. work. Typing/shorthand and some knowledge of 20th Century art are essential. Full details and application form write to:

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If you are good, call handle responsibility and like a stimulating environment, with a possibility of overseas travel, we should apply. No agencies.

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Legal experience desirable but not essential. The ideal candidate will be a Secretary with a minimum of 2 years experience for busy position involving Matrimonial Law. A pay rise every 6 months.

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£6,500 minimum

Partner dealing with both Domestic and Commercial Courts. Solicitors seeks a professional Legal Secretary with a minimum of 2 years experience for busy position involving Matrimonial Law. A pay rise every 6 months.

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**ADMINISTRATIVE SECRETARY**  
£8,000

A small but well established Computer Hardware company based in the city requires a high calibre, well educated Admin Secretary to provide a total administrative back-up to their expanding city operation. Reporting to the two joint Managing Directors, you will be responsible for a junior secretary and will be a person who enjoys using their initiative and taking responsibility in a vibrant team situation. Minimal shorthand and typing. Excellent career opportunity. Age 23-35 years.

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Chairman of successful American Co. needs cool, capable, mature secretary with excellent secretarial skills (100/60). Must be smart and diplomatic. Good prospects. Age mature 25-35. £7,000-£8,000.

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The charming Director needs a top PA with fluent Arabic and excellent secretarial skills (100/60). Must be smart and diplomatic. Good prospects. Age mature 25-35. £7,000-£8,000.

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Young enthusiastic secretary to cope with small busy office. Flexibility important and good secretarial skills. Min one year's experience essential. Age 20-30. Circa £6,000.

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Friendly successful Co requires a well organised secretary to work for busy sales director and his team. Must be a good co-ordinator with excellent typing. Age 25-45. Circa £7,600.

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For reliable secretaries, typist and receptionist for an enormous selection of assignments.

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If you want to combine your interest in both these fields this must be the opportunity. You will be working for a busy and successful publisher in a busy and friendly department.

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Good benefits.

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Secretary General of international organisation. No shorthand, but good secretarial skills must be good. Shorthand and typing essential. Knowledge of French and Spanish a bonus.

Applications stating age and experience to: Dr. S. Murray, International Wrought Copper Council, 6 Hatherly St, London W.C.2.

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PA with shorthand, £8,000 + 10% to work for a dynamic property partner. Free P.P.P., London vouchers, four weeks holiday. Excellent, demanding position for two calibre PA's.

Phone Mrs. Violette on 026 7564.

**£6,500 Sec./Admin. Assistant**

Enthusiastic Secretary is needed to assist in the city, and to handle a variety of (thriving sales and marketing) on the telephone. Charming and positive manner. Must be able to work together with the ability to handle a variety of tasks. L.V.s, levels and good salary. Age 25-35. No Agencies please.

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£7,500 + GROOMING ALLOWANCE ++

Lively P.A. SEC. 25-35, good sec. skills (100/60), reporting to the Financial Director of a well established company in S.W.1. Ring now for your details.

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**MECHANICAL SECRETARY**

Required

for a small firm in the City. Must be a good secretary. English, good secretarial skills and initiative. Trench: Dons London, Redwood & Saffrey, 60, Queen Anne St, London, W.1.

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## 10,000 TAX FREE REASONS Why every good PA should read this advertisement

He is the highly successful Managing Director of a reputable construction company based in Bahrain. He is totally professional yet often unorthodox and his dynamism and sense of style is infectious.

He needs a first class Personal Assistant (ideally, but not essentially from the construction industry) who is unfailingly efficient under pressure, used to minuting board meetings and able to communicate with multi-national and influential clients. Someone with the flair, style and charm to work alongside senior management and the initiative to remain one step ahead of events.

A starting tax free salary of at least £10,000 and a package of benefits which includes free furnished accommodation and two months home each year (excluding business travel, of course), plus the prospect of long term employment in this socially exciting Middle East city are reasons enough to telephone for a further discussion quoting ref. G1957: Andrew Neaby-Smith, Lansdowne International Limited, Lansdowne House, 36 Great Smith Street, Westminster, London SW1P 3BU. 01-222 0846.

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This charitable Trust was established to provide rented accommodation for low-income people. The Housing Manager, who runs a busy department responsible for the letting, management and maintenance of the Trust's 2,000 flats, requires an experienced Secretary. The successful applicant will have a good knowledge of English; be accustomed to responsibility and working on own initiative. Non-contributory pension; flexi-time; 22 days holiday and L.V.s.

To apply, please write, enclosing CV, to: The Housing Manager, The Samuel Lewis Housing Trust, 10 Great James Street, London WC1N 3DP

## CITY SECRETARY £6,500

To join a prestigious firm of Estate Agents, you'll be PA to their Junior Partner who is young and dynamic and will really keep you on your toes. You'll be working in a very busy office. You should be happy talking to clients both on the telephone and in person. Car driver preferred but not essential. 100/50 skills essential.

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Our clients, a major Hotel and Property company, seek a Personal Secretary. This position is far more than a straight secretarial as you will be involved in all non-secretarial duties. You should be able to mix with people at all levels and have a strong administrative background. Offices and travel discounts. 100/60 skills needed.

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18 Grosvenor Street London W1 Telephone 01-499 2921

## Albemarle Appointments

**COLLEGE LEAVERS**

We need privately educated College leavers with good skills (50/50) to work in Public Relations, conference organising and international departments.

For more details please phone Simone Sykes.

**PERSONNEL c. £8,000**

As PA/Secretary to the Personnel Manager of this major British company, you will be closely involved in administering the recruitment of specialised personnel. You should have excellent organisational abilities and good verbal and written communication skills. Working as part of a closely knit team. Shorthand/typing skills and good verbal and written communication skills are essential. Age 25-35. Superb City based offices. Ring 355.

**Crone Corkill**

Recruitment Consultants

**PA to MD-Hertford c. £7,000**

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Organised photographic sessions. One film library. All round press and public relations. Excellent secretarial skills. Must be a good secretary. English, good secretarial skills and initiative. Trench: Dons London, Redwood & Saffrey, 60, Queen Anne St, London, W.1.

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Typists don't find us typical.

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**GILES CHURCHER SECRETARY P.A.**

for their very busy Managing Director. Good shorthand and typing. (Good Sec. skills required) £7,000 neg.

Please ring CLARE on 01-493 9933. No agencies please.

**PERSONAL SECRETARY**

£12,000 required for 2 year position with small firm in City. Salary £6,000 plus negotiable.

01-499 5511

**EXPERIENCED MEDICAL SECRETARY**

Required by busy practice. Will start as soon as possible. Salary £7,000 negotiable.

580 5621

## WHEEL AND DEAL

This centrally based (radio) company needs a top secretary to become involved in an international atmosphere dealing at a very high level. Your day will include client liaison and full use of your PA qualities. If you are looking for £7,000+ telephone Vikki Lessman.

**PERSONNEL 20+ £6,000**

If you have recruitment and administrative experience together with good secretarial skills then you will not be disappointed to join this large friendly company in W.I. Your rewards will be appreciation from your boss with each day different. Ring the last immediate appointment available. Ring Jane Williams.

**ADMIN AT £6,500**

An outgoing personality will help you deal with clients, handle hectic telephone calls and organize this busy office for a large international company. As well as using good skills you will compose your own correspondence and look after all the administrative set up for a team of friendly and enthusiastic people. For more details call Margaret Lancaster.

**PENCHANT FOR PUBLISHING £6,500**

Are you adaptable, willing to mix in and have a sense of humour? If so, join a young and friendly team in a well-established publishing company. Your skills are needed but more important is your ability to cope with a hectic environment, and your resourceful personality. Ring Margaret Lancaster.

**Graduate Girls Secretarial**

7 Park Lane London W1 Tel 01-493 1302

## SECRETARY

The Secretary General of AMNESTY INTERNATIONAL requires a Secretary to work at the International Secretariat in London.

The Secretary General is the chief executive of the Amnesty International movement and, together with his assistant, the Secretary is required to provide a full support service. This is an interesting, varied and responsible post. Candidates should be interested in international affairs and have several years' secretarial experience at management level. Good secretarial skills are required, as is the ability to write good English. A working knowledge of Spanish or French would be useful.

Salary £5,635 per annum (index linked) L.V.s paid.

For an application form send a large S.A. to the Personnel Department, Amnesty International, 10 Southampton Street, London WC2E 7HF or ring 01-876 7788 ext 289.

Closing date for the return of completed application forms: 15 April, 1982.

## TWO PA/SEC'S REQUIRED

for small Kensington HQ of Middle Eastern group with world-wide interests. Must be experienced, discreet, flexible, good communicators and have excellent shorthand and typing. Salary up to £6,500 + BUPA and four weeks holiday.

Contact STEVEN IZATT 01-852 9292 after 6.30 p.m.

## The Economist

25 St. James's Street London SW1A 1HG

**HAVE YOU A GOOD HEAD FOR HEIGHTS? AND FIGURES?**

Experienced secretaries (1+) with a high standard in the financial office will be urgently required to join our Finance Director in the top floor of our modern offices overlooking St. James's Park.

We offer an excellent salary and working conditions, plus generous fringe benefits to the right person with an interest in finance and administration.

Please write with CV, or telephone — Liz Taylor 01-839 7000

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Invite applications for the position of Secretary/Company Administrator to International Sale Director. Candidates should be efficient and well presented, with excellent shorthand and typing skills.

An opportunity for a bright person, seeking stimulating work in a professional environment to become involved in all aspects of a busy fine art publishing business, situated in Notting Hill Gate, London W.1.

Written applications marked confidential, to Peterburg Press, 8a Portobello Road, London W.11

## Stella Fisher

**KNIGHTSBRIDGE c. £7,500**

PA Sec. with good skills and organisational ability to work the small marketing HQ of large int. corp. 01-730 5148

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**Edited by Peter Dear**

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**Radio 1**

5.0 As Radio 2. 7.0 Mike Read. 9.0 Simon Bates. 11.30 Dave Niven. Travel including 12.30-1.00. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.0 Peter Powell including 5.0-5.30 The Record Race. 5.30 Newsbeat. 7.0 Radio 1. 7.01 Muzibing: Phone-in on 01-51-11-11. 8.00 David Jensen. 10.0 John Peel. 12.0 midnight Close. vHF Radio 1 and 2 5.0 am With Radio 2. 10.00 pm With Radio 1. 12.0 am With Radio 2.

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FREQUENCIES: Radio 1 MF 1053kHz/285m or 1089kHz/275m, Radio 2 MF 693kHz/433m or 909kHz/330m, Radio 1,2 VHF 88-91MHz, Radio 1 VHF 90-92.5MHz, MF 1215kHz/247m, Radio 4 LF 200kHz/1500m and VHF 92.95MHz, Greater London Area MF 720kHz/417m, LBC MF 1152kHz/281m, VHF 97.3MHz, Capital MF 1548kHz/194m, VHF 95.8MHz BBC Radio London MF 1458kHz/206m and VHF 94.9MHz World Service MF 648kHz/463m.

**9.00 Minder: Back In Good Old England: A**

former cellmate of Terry's returns to London after making a new life for himself in Spain as landlord of the Olde Boar's Head in Torrington. The success he has had with this venture leads him to believe that he could duplicate the business in London with a bodega-like establishment. Can Arthur find him some premises?

10.00 A Party Political Broadcast: on behalf of the Conservative Party.

10.05 News:

10.35 Film: *The Sex Symbol* (1974) starring Connie Stevens and Shelley Winters. A, made-for-television story about the rise and fall of a Hollywood glamour girl. Adored by the public, she falls foul of her film studio when she is fired. She turns to pills and drugs. Shelley Winters is magnificent as a bitchy gossip columnist. The story is based on Alvah Bessie's novel, *The Symbol*, and is directed by David Lowell Rich.

12.30 Close: with Tony Bridge looking at spiritual messages in some chosen paintings

families which are generally thought to have greater incidence of the offence. Psychiatrists, social workers, solicitors and the police each give their stance on the problem and all agree that something has to be done to help those involved, who really need someone to turn to for help.

● **IN WHERE THERE'S LIFE (TV, 7.00 pm)** Miriam Stoppard and Rob Brown take a look at the role of the family when one of their number is in the heart-breaking position of being terminally ill. The case-book in question this evening is a Texan couple whose 11-year old daughter has been diagnosed with Hodgkin's Disease. How they, their daughter and her sister stand up

● **DEWEIGHT TO RADII 3 (TV, 10.00 pm)** Today's programme is the fact that it is the 250th anniversary of Josef Haydn's birth with no fewer than seven programmes dedicated to his music. Beginning at 10.00 am with his Creation Mass recorded in 1982 at the Musikverein, the celebrations reach a climax at 7.30 pm with a two-hour long live performance from the Old University, Vienna, of the same piece played by the Vienna Collegium Aureum conducted by Gustav Kuhn. At 8.30 pm on Radi 4, KALEIDOSCOPE celebrates the anniversary with an interview with Mr. C. Robbins Landon, Haydn's biographer and presenter of BBC 2's excellent biography of the composer which can be seen at 10.10.00 tonight.

**Court of Appeal**

## Difficulty of discovering ratio in single speech

In the present case, both parties were responsible for the delay, and the respondents could at any time have brought the delay to an end.

LORD JUSTICE KERR said that the stark issue was whether the parties were to be held to their agreement to arbitrate, where in the same circumstances an action based on the same dispute would unhesitatingly have been struck out.

Unless rigorously compelled by binding authority, his Lordship could not accept that such an extraordinary dichotomy must follow as a matter of law, when litigation and arbitration were both basically adversarial in nature and both were directed to the common end of doing justice.

Until *Brenner Vulkan* his Lordship would not have occurred to any practitioner, arbitrator or businessman that the law was powerless in situations such as the present. His Lordship knew from his own knowledge that that decision had been viewed with the greatest concern, not only in the City and the Temple, but also abroad among institutions which looked to this country as an important venue for international commercial arbitration.

A close analysis of *Brenner Vulkan* did not compel the conclusion that arbitration agree-

The ratio of the case, so far as material for present purposes was that, in the context negating the possibility of unilateral repudiation by the claimants, both parties to arbitration to which no other rules apply were under a duty of mutual cooperation.

Cooperation still required initiative from one party or the other, such as suggesting initiating an application to a tribunal. Without such initiative arbitration could not be a duty which simply existed in the air.

The question must therefore always be: whose duty was it any time to take the initiative and therefore bring the duty cooperate into play? In the present case, it was the claimants' duty at all times.

His Lordship's conclusion was that the arbitration agreement was frustrated by the passage of time and by the impossibility which had now supervened resolving the dispute fairly.

It was not entirely the fault of the claimants. T respondents' duty to cooperate with the claimants came into play as and when they with responsibility for its delay.

Leave to appeal to the House of Lords was granted.

Solicitors: Holman Fenwick Willan; Sinclair, Roche & Teperley.

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help all Britain's  
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